

Clinton Picks Drug Expert, 'Law Legend,' To Head FBI

Choice of Mafia Fighter Is Expected to Enhance Bureau's Work Abroad

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — G-man, Mafia crime-buster, federal prosecutor, judge.

That résumé is the primary reason President Bill Clinton named Louis F. Freeh on Tuesday to head the 43-year-old New Yorker, "a law enforcement legend."

If approved by the Senate, Mr. Freeh could raise the profile of the FBI around the world as it seeks to combat terrorism and international organized crime, an area in which he has particular knowledge.

There is little doubt that Mr. Freeh, who prosecuted the most extensive, mob-related heroin-import case in U.S. history, is already well known not only to organized drug traffickers in the United States but also to crime bosses in Sicily.

"We now live in a global village in terms of law enforcement," Mr. Freeh, a former FBI field agent, said as he accepted his nomination at the White House.

"When my friend and colleague, Italy's Judge Giovanni Falcone, and his wife were assassinated in 1992 outside Palermo it was an attack against the cooperative efforts of the FBI and the Italian police and judges to combat international narco-terrorism."

In an article last year, Mr. Freeh urged greater efforts to fight the Mafia, suggesting, for example, that foreign informers be given new identities under the U.S. witness protection program.

Already, the bureau staffs 21 FBI Legal Attache offices in U.S. embassies around the world as it seeks to combat organized crime and drug smuggling, white-collar crime, terrorism and spying.

The agency cooperates very closely with Italy under the Italian-American Working Group and has agents in almost daily contact with their European counterparts hunting terrorists.

Mr. Clinton praised Mr. Freeh as "experienced, energetic and independent."

Mr. Freeh declared: "Our country must be made safe again."

"The issue is stark," he said. "Do we allow criminals to destroy our constitution and our freedoms or do we act to preserve them?"

Mr. Freeh was named one day after Mr. Clinton dismissed William S. Sessions as the FBI director.

The president accepted a report from Attorney General Janet Reno that concluded that Mr. Sessions had used poor judgment in changing personal travel expenses and other items to the government and could no longer be effective.

An internal FBI ethics report last year chastised Mr. Sessions.

Unlike many federal agency heads who are political appointees, the FBI director serves a 10-year term on a nonpartisan basis. Mr. Sessions, a former federal judge, was appointed in 1987 by President Ronald Reagan.

The appointment of Mr. Freeh drew praise from his former chief, Rudolph Giuliani, who

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A wounded Bosnian saying farewell Tuesday as UN medics carried her from a hospital for an evacuation flight to Germany.

Bosnian Begs for Help to Save Sarajevo

President Sends Plea to UN and U.S.

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — With Serbian forces pressing an offensive on the outskirts of his capital, President Alija Izetbegovic appealed to U.S. and United Nations officials on Tuesday to intervene and save Sarajevo from a possible all-out assault.

"The Serb aggressor has launched a heavy offensive toward the Sarajevo 'safe zone,' now coming from two directions, southeast and southwest, aiming to cut up the city," Mr. Izetbegovic said in a letter Tuesday to the UN secretary general, Boutros Boutros Ghali, and other officials, including the U.S. ambassador to Bosnia-Herzegovina, Viktor Jackovich.

"There are signs that the Serbian forces plan a general attack on the town itself," he wrote. "I call on you to intervene and stop this act of aggression."

UN officials reported no new combat on the city's outskirts.

strategic Mount Igman, overlooking Sarajevo, as Serbian forces tried to tighten a noose around the besieged capital.

The city's utility crisis has returned to its worst level — no natural gas, no electricity and virtually no running water. Power and water have been cut since June 21, with a brief interlude last week.

The city's only bakery, which opened briefly five days ago, has been closed again for lack of fuel. UN officials said the only substantial source of food for Sarajevo residents now was the UN airlift, which can provide only about 60 percent of the need.

In Geneva, the Bosnian presidency set out its blueprint for a postwar federal state on Tuesday, but diplomats said it was not known whether Muslim leaders would attend peace talks this week.

The diplomats said the 10-member presidency sent the mediators, Lord Owen and Thorvald Stoltenberg, proposals to rival a joint peace plan tabled by their Serbian and Croatian foes.

The mediators, meanwhile, were said to be trying to persuade the Bosnian Serbs to silence their guns long enough to persuade the presidency, and especially Mr. Izetbegovic, to return to the Geneva negotiating table.

The 11-point plan calls for the former Yugoslav republic to be made into a loose federation, according to a draft.

It does not specify how many federal units would be created and — unlike the Serbian-Croatian plan for a confederation of three ethnic states — it decrees that the units "cannot be constituted solely on ethnic principles."

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In Blow to VW, Court Lifts Gag Order

By Brandon Mitchener
International Herald Tribune

FRANKFURT — In a new blow to Volkswagen AG, a German court ruled Tuesday that there was substantial reason to believe allegations that the company's controversial vice chairman stole corporate secrets from General Motors Corp. before joining VW.

The decision adds to other recent uncovered evidence contradicting VW's claims of innocence, including four boxes of documents found in a house once inhabited by VW associates who followed Jose Ignacio Lopez de Arriortua, a Spaniard, to work for GM's chief European competitor in March.

Lifting a previously imposed gag order, a Hamburg civil court ruled that Der Spiegel, the German newsweekly, had acted with reasonable suspicion in reporting that Mr. Lopez and several fellow GM employees "systematically gathered secret documents for months" before and during their switch to VW.

Even though the court said it did not rule on the substance of GM's charges of criminal espionage, officials for the company's big German subsidiary, Adam Opel AG, which was not a party to the Hamburg proceedings, expressed satisfaction with the result. In filing its plea, the court agreed that the evidence against VW was more credible than the signed affidavits of

Mr. Lopez and (Ferdinand) Pisch, the VW chairman, an Opel official said.

"It might now be necessary to investigate whether Mr. Lopez committed perjury," said Hans Werner Kitz, co-editor of Der Spiegel, calling the court's ruling a victory for the magazine and for free speech.

"We were justified in writing that Mr. Lopez is suspected of having stolen industrial secrets," he said. The suspicion, he said, was supported by a "good deal of sworn testimony" by top GM officials, many of whom had been quoted anonymously in Spiegel articles.

Georg Nauth, a spokesman for the prosecution, said the court's decision was a setback for VW.

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Apparent Suicide of Arrested Executive Jolts Italy

ROME — The death in jail Tuesday of Gabriele Cagliari, a well-known businessman, apparently by his own hand, revived a bitter dispute about investigative methods in Italy's 17-month corruption investigation.

Legislators demanded parliamentary debate on preventive custody, which Bruno Landi, a

Socialist deputy, said "has come to be applied in, frankly, unacceptable ways."

Magistrates have been accused of jailing suspects to pressure them into naming names. Courts allow preventive detention if there is risk a suspect may flee or tamper with evidence.

Mr. Cagliari, former chairman of the state energy conglomerate ENI, was found dead in

the bathroom of his cell with a plastic bag over his head on Tuesday. A magistrate said there was little doubt that he had committed suicide.

Mr. Cagliari's lawyer, Vittorio D'Aiello, first said his client died of a heart attack but later said he was convinced that Mr. Cagliari took his life so that he would not implicate friends and business associates.

Mr. D'Aiello said Mr. Cagliari left four notes, two to his wife and one to his wife and one absolving his cellmates.

Prosecutors have not disclosed contents of the notes.

If he took his own life, he would be at least the ninth person to kill himself since the scandal.

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U.S. Aims a Warning At China Over Arms

Sanctions Loom If Sales Go On

By Elaine Sciolino
New York Times Service

WASHINGTON — The administration plans to warn China that its weapons exports could bring punitive sanctions, and a debate continues within the government over whether the message is tough enough, according to senior administration officials.

In response to what Washington calls mounting evidence that Beijing is shipping missile technology to Pakistan, Secretary of State Warren M. Christopher will raise the issue when he meets with Foreign Minister Qian Qichen on Sunday in Singapore, officials said. The issue will be discussed in detail on the following two days in Beijing by Lynn E. Davis, undersecretary of state for international security affairs.

In May, despite what U.S. intelligence agencies described as compelling evidence that China had shipped parts for M-11 missiles to Pakistan, the administration renewed China's favored trade status, making it conditional on improvements in China's human rights record.

The missiles have a range of about 300 miles (450 kilometers) and are believed capable of carrying nuclear warheads.

Since then, intelligence reports have led some senior arms experts to conclude that Pakistan has received all the components to assemble the missiles, senior officials said on Monday.

These officials also describe intelligence reports indicating that China has stepped up its cooperation on missile technology with Iran, which is trying to develop more sophisticated arms, and that China has shipped chemicals that could be used for weapons in Tehran.

But there is a deep split within the Clinton administration over whether Pakistan actually has missiles and whether the Chinese and Pakistani agencies involved should be punished with sanctions, as required under U.S. law.

The Central Intelligence Agency, for example, has taken a very hard line, while senior Pentagon officials, including William J. Perry, deputy secretary of defense, say there is no firm evidence that China has shipped the missiles.

The State Department is divided, although some officials close to Mr. Christopher have said that given the evidence, China should not be given the benefit of the doubt.

To maintain its trade benefits last year, China promised the Bush administration that it would honor the Missile Technology Control Regime, which bans the transfer of certain equipment and related technology, though China did not sign the agreement.

In return, the Bush administration ended sanctions against China's transfer of high technology, reflecting Mr. Bush's belief that the way to moderate China's behavior was through trade.

But evidence that China violated the agreement by delivering M-11 missile technology to Pakistan led the Bush administration to postpone the sale of a sophisticated supercomputer to China last December. The sale of the computer, to be used for weather-forecasting, is still pending.

Some intelligence officials say that piece by piece, China has managed to slip the missiles. They base their conclusion in part on satellite photographs last November showing suspicious-looking crates from China in Pakistan.

But these officials say they have not been able to determine whether any M-11 missiles are functional.

In addition, Senator Claiborne Pell, the Rhode Island Democrat and chairman of the Foreign Relations Committee, and Senator Jesse Helms, the North Carolina Republican and ranking Republican on the committee, wrote to Mr. Christopher in May complaining of what they said were several other potential Chinese violations of the missile accord, administration officials said.

Wendy Sherman, the assistant secretary of state for legislative affairs, replied, telling them that the administration did not believe that China had transferred any technology or equipment that would require sanctions by the administration, a senior administration official said.

Responding to Mr. Clinton's Asia-Pacific summit proposal will be a key test for East Asia.

In essence, countries in the area are

By Michael Richardson
International Herald Tribune

Some Asians Cool to Pacific Summit Talks

SINGAPORE — By proposing a summit meeting later this year of leaders of the Asia-Pacific region, which would be a first, President Bill Clinton has begun to shift the focus of U.S. foreign and trade policy away from Europe and the Western Hemisphere toward fast-growing East Asia.

As expected, his plan to strengthen trans-Pacific ties and promote regional trade liberalization has encountered strong opposition from Malaysia, which, playing its role as a gadfly, asserts that it would weaken attempts by East Asia to chart an independent course in world affairs.

But more worrying for Washington is that Mr. Clinton's proposal of July 7 for an informal Asia-Pacific summit meeting in

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Seattle in November has yet to gain unequivocal support from a number of the region's largest nations, including China, Japan and Indonesia.

China is reluctant to attend a meeting of heads of government at which Taiwan and Hong Kong would be present, Asian officials said Tuesday, while Japan and Indonesia are concerned that such a meeting may be premature and divisive.

U.S. efforts to overcome these problems will be a critical test of the Clinton administration's influence in Asia and its ability to shape the future economic and foreign policy architecture of the region.

Mr. Clinton's proposal is intended to add impetus to moves within the Asia-Pacific Economic Cooperation forum to speed up the pace of regional integration by agreeing on steps to reduce barriers to trade, investment and business in general.

The 15 members of the economic cooperation group account for about half the world's output and 40 percent of the exports. They would form a powerful counterweight to an enlarged European Community, which many Asia-Pacific officials assert is becoming increasingly protectionist.

The members are Australia, Canada, China, Hong Kong, Japan, New Zealand, South Korea, Taiwan and the United States, and the countries in the Association of South East Asian Nations — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

In what was billed by U.S. officials as a keynote address on his first visit to Asia as president, Mr. Clinton said that the time had come for the United States to "join with Japan and others in this region to create a new Pacific community."

Mr. Clinton said that he was consulting the economic cooperation leaders about holding an informal conference to "discuss what we can do to continue to bring down the barriers that divide us and to create more opportunities for all our people."

Secretary of State Warren M. Christopher is expected to take these consultations further when he arrives in Singapore on Sunday to meet the foreign ministers of ASEAN after they wind up their annual meeting.

Foreign ministers of the APEC countries will be involved in these discussions, with the exception of Taiwan and Hong Kong.

Responding to Mr. Clinton's Asia-Pacific summit proposal will be a key test for East Asia.

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Kiosk

Gay Compromise Backed by Nunn

WASHINGTON (NYT) — Senator Sam Nunn, an influential Democrat, gave his broad support Tuesday to President Bill Clinton's new policy toward homosexuals in the military and withdrew his insistence that a stricter version be written into law.

Apparently swayed by the military's ringing endorsement of the plan and by continuing divisions in the Senate, Mr. Nunn, a Georgian who heads the Armed Services Committee, said he would seek only to have the administration clarify several areas.

The six members of the Joint Chiefs of Staff, whose steadfast opposition had scuttled Mr. Clinton's initial plan to simply lift the ban on homosexuals, testified before the committee in praise of the compromise. They said the new policy would actually improve combat readiness, by finally putting to rest an area of bitter contention.

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Dow Jones	Up 9.50	Trib Index	Down 0.08%
	3,544.78		102.67

The Dollar	New York	1.5996	1.7087
	London	1.5105	1.4988
	Paris	108.20	106.475
	Frankfurt	6.805	6.82

Bringing back the man: Karl Lagerfeld's thigh-rise headline. Page 8

It Isn't Over Yet, but the Mississippi Begins to Subside

By B. Drummond Ayres Jr.
New York Times Service

ST. LOUIS, Missouri — It is only a drop of one-tenth of a foot, but the rain-swollen, rampaging mighty Mississippi has begun to subside here, and with it some of the fear and destruction caused by the great flood of 1993.

There was still plenty to worry about as the river bulged toward a second, higher crest, and there was still plenty of need for more sandbagging as one of the worst floods in U.S. history rolled toward the Gulf of Mexico.

Flood experts warned that despite the falling river and clearing skies over most of the sodden Midwest disaster area, there would be more rain before the river totally retreated to within its banks and relaxed its relentless pressure on soggy, weakened levees designed for a far lesser test.

Still, there was the undeniable, happy fact that the river, which crested on the levee here on Sunday at a record height of 46.9 feet, stood at 46.8 feet on Monday afternoon.

"That's progress, any way you look at it," said Jim Krampfer, a disaster specialist at the National Weather Service office here.

[Heavy rain continued in parts of Kansas and Nebraska. The Associated Press reported. Up to 2.3 inches of rain fell in one hour Tuesday morning in northern Kansas. Monday was sunny throughout most of the region. In Iowa, no rain fell for the 24 hours ending at 6 A.M. Tuesday, the first time that has happened this month, though it was raining in Des Moines early Tuesday afternoon.]

[Although the Mississippi reached one crest Sunday night at 46.9 feet, the river was expected to exceed that Tuesday night. Tom Dietrich, a National Weather Service hydrologist in St. Louis, predicted the river would rise to 47 feet before starting to recede slowly but for good.]

The Mississippi certainly did not seem to be

It Isn't Over Yet, but the Mississippi Begins to Subside

Mississippi just north of here and is the other major river in the summer flooding, also was beginning to subside.

And from varied points throughout the disaster region, most of them under blue skies, came other encouraging reports — progress on restoring water services at Des Moines; progress on restoring a collapsed levee at Glasgow, Missouri; progress on reopening a bridge across the Mississippi at Hamilton, Illinois.

To be sure, there were reports of new flooding and seepage, some of it in a St. Louis suburb, some of it to the south at the historic city of Ste. Genevieve, Missouri, some of it far to the north on the Fox River at Alton, Illinois. There was still the three- or four-day wait while the crest makes its way to Cairo, Illinois, where the river bottom broadens and can swallow even this flood.

But overall, the news was mostly positive, for the first time in more than a month.

"It's definitely beginning to look hopeful," Mr. Krampfer said. "Any time you get a crest and then a drop, it's good news. If we don't have some unexpected rain, here on out we ought to see a steady fall-off of maybe as much as a foot every couple of days."

At that rate, the Mississippi and the Missouri should take roughly two or three weeks to fall back within their banks. Can the levees hold out that long?

"That's the thing we're most worried about," said Bob Anderson, a spokesman for the U.S. Army Corps of Engineers. "It looks like the water is going to be high on them for more than two weeks, twice as long as it stayed up back in the great flood of 1973. We used to think that was the definitive test. But it's clear that this year is going to be the ultimate test."

subsidizing as it boiled past the Gateway Arch on its long rumble. There was as much mud and detritus and stench as ever, and it looked every bit the monster that had killed 29 people and caused more than \$10 billion in damage across the Midwest.

But Mr. Krampfer confirmed the drop, and added that the Missouri River, which joins the

Death and Abandonment in Bosnia's 'Haven of Peace'

By John F. Burns
New York Times Service

FOJNICA, Bosnia-Herzegovina — Nobody could be sure when Edin Lisnjic died. The only witnesses, three other toddlers in a stuffy upper room at a hospital for physically and mentally handicapped children here, were in no condition to say.

Edin was 2½. It seemed likely that he had succumbed of dehydration in the intense heat a few hours before United Nations troops arrived here late Monday afternoon. For 72 hours before that, Edin and more than 200 other children in the hospital had been abandoned, without doctors, nurses or other staff members, and with nobody to turn to but a handful of adult patients with severe mental handicaps of their own.

Unlike 200,000 others whom the Bosnian government estimates to have died in the fighting, Edin was not blown apart by artillery, cut down by snipers, tortured or burned alive. He was simply left to fend for himself, so severely handicapped that he had spent most of his life at the hospital.

"It's monstrous," said Brigadier General Vere Hayes, chief of staff for the UN protection force in Bosnia, watching as 30 British, Canadian, Danish and Dutch soldiers hastened to unload food and medical supplies, while others donned paper masks and rubber gloves to begin cleaning up hallways and wards awash with human waste.

The soldiers moved about amid a tableau of naked, excrement-smeared children dashing from room to room, some shrieking, others crying. In the wards, smaller children rocked rhythmically in their cots. Many were sodden with sweat.

Some, terrified, hid beneath their cots. Others, large enough to have found their way to supplies of biscuits and cereal and milk powder in the hospital storeroom, feasted on their contraband. Others simply stared in seeming incomprehension.

Many of the hospital windows had been broken from inside and toys thrown out of windows, suggesting that there had been fighting among the patients. Some window sills and floors were smeared with blood, as were some of the children.

The Drin Hospital, nestled between lushly forested mountains, was one of the largest of its kind in Yugoslavia. Its patients were drawn from all of the Yugoslav republics. Fojnica, the spa town that lies just a mile down the road, has been celebrated for its curative springs since the Middle Ages.

For 15 months, Fojnica's Croatian majority and Muslim minority had prevented ethnic hatred from destroying what most people here agreed was a fine communal life. General Philippe Morillon, then the UN military commander in Bosnia, thought Fojnica so exceptional that he came here three weeks ago and declared the town "a haven of peace."

An undertaking to keep Fojnica out of the war was signed by local Croatian and Muslim leaders. Those

who drew up the pact included the local commanders of the Croatian nationalist army in Bosnia and the Muslim-led Bosnian forces, which have been fighting brutal battles for control of mixed Croatian and Muslim communities all around this region since the spring. A stamp of approval was added by the local Roman Catholic priest and by the Muslim imam.

The calm ended a little more than two weeks ago, when the Bosnian Army drove the Croatian forces from Fojnica in bitter street-to-street fighting, and much of the town was set afire.

On Friday, as the town was being overrun, the Croatian commander ordered all staff members to leave the Drin Hospital and a neighboring hospital for adults with severe handicaps. Within an hour, more than 600 people, most of them with severe mental disabilities, were on their own.

For two days, UN troops trying to reach the two hospitals were turned back at Bosnian checkpoints. On Sunday afternoon, Canadian troops of the UN force tried a road that approaches Fojnica through Croatian-held territory to the south, and reached the children's hospital at dusk.

The Canadians reported that five children were in critical condition. But Croatian nurses with the Canadians said that they felt unsafe, so the Canadians pulled back, arguing that a larger convoy with medical supplies and food try again Monday.

One of the five identified as being in critical condition on Sunday was Edin. The others on the list

survived the night, but a Dutch doctor working with the volunteer group Doctors Without Borders, who returned with Monday's convoy, found several other children who were seriously ill, including one with meningitis.

As the UN troops began organizing an evening meal for the patients, it seemed clear that few of the children understood what had happened. But many of the adults did, and applauded happily as the soldiers went about their tasks. Some of the adults took up brooms and mops and joined in.

Although the Croatian commanders said that the hospital had been too dangerous to approach during the three days before Monday's convoy arrived, UN troops quickly discovered that armed men, apparently Croats since the hospital lies at least a mile from the Bosnian front lines and only 500 yards from Croatian posts, had been in the hospital during the 72-hour period.

But their purpose did not appear to have been to help the children. The safe in the director's office had been blasted open and emptied. In one office, several bottles of vodka and slivovitz lay on the table, with dirty shot glasses nearby.

Some of the older children said that armed men in camouflage uniforms had been to the hospital on Saturday, but the children said they did not know which army they belonged to.

"I don't know, but they were big," a 10-year-old girl said.

Egyptian Militants on the Run Executions and Mass Arrests Take Heavy Toll

By Chris Hedges
New York Times Service

CAIRO — The counterinsurgency campaign unleashed by the Egyptian government in recent weeks appears to have inflicted the worst damage on the Islamic militant movement since the extremists began a series of violent attacks 18 months ago, according to government officials and militant leaders.

"The Islamic Group has clearly been hurt," a Western diplomat said, referring to the militant organization. "The question is how much, and for how long. Many militants are being low and trying to wait this out. And for all the force the government has employed, it has still done nothing to address the poverty, unemployment and closed political system that pushed many young men into this extremist movement."

The crackdown has seen hundreds of suspects arrested in the past few weeks along with swift and often harsh sentences meted out by special military courts. The government has executed 15 militants since May, the largest group to have been put to death for political offenses this century. Seven other extremists, still at large, have been condemned to death in absentia.

A militant was hanged Tuesday in Cairo for the murder of a police officer in the southern city of Faiywu in March 1992, the official Middle East News Agency announced.

Egyptian intelligence officials say they have penetrated many of the militants' cells, arrested several key figures and uncovered large numbers of arms and bomb-making equipment.

The government, with the aid of Pakistan, has shut down several of the offices where militants worked in the Pakistani city of Peshawar and has restricted the amount of money coming into the movement from outside Egypt. Security has also been tightened along the borders with Sudan and Libya, where militants trained abroad cross into the country.

Violent clashes, bomb blasts and assassinations by the Islamic Group, which claims the blind cleric Sheikh Omar Abdel Rahman as its spiritual leader, have dominated in the past month.

But government officials, embarrassed by repeated statements last year that they had wiped out the movement, are being more cautious, saying only that they have inflicted heavy damage.

"It is still too early to say whether the movement has been broken," an official said.

The Islamic Group has carried out a series of bomb attacks and assassinations of police officers, Coptic Christians, intellectuals, government officials and foreign tourists in the last 18 months.

More than 180 people have been killed in militant-related violence since the campaign began, and the country's \$2.2 billion tourism industry has been devastated.

Several followers of Sheikh Abdel Rahman, who is now in detention in the United States, were implicated in the Feb. 26 bomb blast at the World Trade Center and a later plot to bomb other sites and carry out assassinations in New York.

An aide to the cleric was arrested Friday in New Jersey and charged with conspiracy to assassinate President Hosni Mubarak.

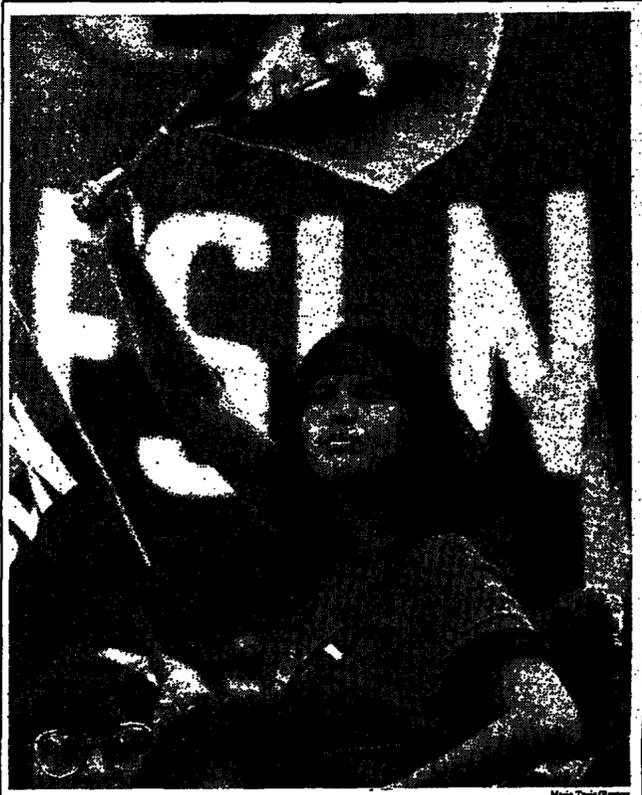
Mr. Mubarak, who faces no opposition in his bid to be re-nominated by parliament on Wednesday for a third six-year term in office, has been loath to carry out executions until this year.

Many of his critics say his decision to permit the courts to hand down death sentences, and the police sweeps that have left hundreds of people in jail without charges, may be counterproductive in the long term, although they concede that the measures have momentarily crippled the underground movement.

Of five militants hanged Saturday, three were found guilty of attempting to assassinate Information Minister Sawfat Sherif on April 20 when they ambushed his car. The minister's bodyguard was seriously wounded, but Mr. Sherif sustained only a minor cut on his hand.

Two of the three men were also found guilty of planting a bomb in Cairo that killed a police explosives expert who was trying to defuse the device. The remaining two men were convicted of placing a bomb under tourist buses outside a museum on March 16 and tossing a homemade bomb at a bus.

The movement, and especially the Islamic Group, has had to disappear from public view for the moment," said a militant cleric in the Cairo slum of Imbaba. "All these arrests, the constant police sweeps and the information the police get from interrogations have taken a toll. But if the government thinks this is anything more than a lull they are mistaken, and when the violence begins again it will be even more vicious and deadly."



VIVA SANDINO — A Sandinista supporter joining 50,000 others during a rally in Managua to celebrate the 14th anniversary of the movement's victory over the military dictatorship of Anastasio Somoza Debayle. The Sandinistas are now Nicaragua's largest opposition party.

UN Sanctions Drag the Iraqis Down to Primitive Existence

By Paul Lewis
New York Times Service

BAGHDAD — An empty bed at the Ibn Ballady Children's Hospital in a poor Baghdad suburb is part of the reason President Saddam Hussein swallowed his pride this week and, after a year and a half of resistance, agreed to indefinite United Nations monitoring of Iraq's military industries to ensure he does not manufacture weapons of mass destruction.

"The mother ran away last night with her child even though it is still sick," explained Dr. Nazir Ahmed Al-Banki, the hospital director. "People don't want to be hospitalized because they can't afford not to be earning money these days."

It will be exactly three years on Aug. 6 since the UN Security Council slapped an economic

blockade on Iraq that sent a devastating shock wave of inflation through the economy.

Today, the grinding hardship that those three years of soaring prices and growing shortages have

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inflicted on ordinary people seem finally to be influencing Iraq's decision-makers.

The world of ordinary Iraqis is one where schools are without books, pencils or chalk, teeth are extracted without painkillers, premature babies get smothered three at a time into any working incubator and many drugs and medicines are barely available. Orphanages report a steady rise in abandoned babies by families who cannot afford to keep them.

Some people still live well, of course. On his birthday, Iraqi television showed the president receiving an enormous cake and then taking a ride in a golden carriage presented by his staff.

Meanwhile, a minor construction boom is under way in Baghdad's smart Mansour district as those whom Neville Chamberlain once described as "the hard-faced men who do well out of wars" build themselves marble villas.

But for most people life has become a grim struggle for survival in a world where the price of everything has risen by thousands of percentage points but salaries and pensions have only doubled, or occasionally tripled, at best.

Last summer, when President Saddam executed 43 merchants in

a vain attempt to halt the price spiral, ministers and officials were stressing the country's remarkable success in rebuilding its infrastructure of roads, bridges, electricity and telephone systems almost destroyed by bombardment during the Gulf War.

Visiting foreign journalists were told Iraq could afford to defy its enemies because it was on the road to self-sufficiency. Reconstruction proves Iraq has defeated the embargo, was the official slogan.

Such brave talk is heard far less today though with typical bravura President Saddam is building a new palace for himself on the Tigris as well as a double-decker bridge and a 350-foot-high red and white telecommunications tower.

This year, the president tried only to blunt the psychological impact of continuing inflation by banning imported goods from Iraq's shops.

"People were enraged by a world where luxuries were still available but at prices only a few could afford," explained Trade Minister Mohammed Mehdi Saleh. "It created jealousy, so we said no foreign goods."

But in meetings with foreigners these days, government spokesmen

no longer speak of the embargo as a hurdle they have overcome. On the contrary, they are emphasizing the hardship it inflicts on ordinary people and Iraq's lack of foreign currency for buying the food and medicine it is still allowed to import at will.

Above all, they are calling for sanctions to be relaxed. "It's immoral, you are forcing our doctors to practice medical triage, only treating the worst cases and reducing drug dosages," said Iraq's deputy health minister, Chawky Sabri Morcos, who complained that because of sanctions the country has been able to spend only \$150 million on imported medical supplies since the embargo, compared with previous spending of \$500 million a year.

"We have \$4.5 billion of food contracts signed but no money to pay for them because our overseas assets are still frozen," said Trade Minister Saleh. "That's why the subsidized rations we give everyone are not sufficient for the whole month."

Industry Minister Amir Saadi said about 90 percent of Iraqi industrial capacity damaged in the Gulf War had been repaired. But the shortage of imported raw mate-

rials and the inability to export mean most factories work at between 10 percent and 50 percent of capacity.

Iraqis are pinning their hopes on Security Council Resolution 687 ending the Gulf War, which appears to say that the prohibition on Iraq selling oil will be lifted as soon as it has allowed all its weapons of mass destruction to be eliminated and agreed to a system of long-term industrial surveillance.

The United Nations calculates that the price of flour on the free market has risen 1,672 percent since the embargo began, that lentils are up 9,140 percent, that milk and vegetable oil have risen 8,500 percent and that tea is up 6,000 percent.

Similar increases can be found for all categories of goods from light bulbs to car tires.

Thais Pardon U.K. Women

By Stephen Kinzer
New York Times Service

BANGKOK — Thailand has granted an amnesty to two British women, Patricia Cahill, 20, and Karyn Smith, 21, convicted of heroin trafficking three years ago, an official said Tuesday.

The case of the Hamadi brothers has been sensitive and complicated, touching on issues of terrorism and hostage-taking.

Both brothers are linked to the Party of God, a militant pro-Iran militia in Lebanon. After Abbas Hamadi's effort to win his brother's release failed and he was himself arrested, a third brother, Abdel Hadi Hamadi, who is security chief for the Party of God, apparently directed the seizure of two German aid workers in 1989.

German officials made repeated efforts to negotiate the release of

WORLD BRIEFS

French Investigate Hormone Deaths

PARIS (Reuters) — Two French physicians in charge of a hormone treatment for children suffering from dwarfism were placed under investigation for manslaughter on Tuesday, justice sources said.

Twenty-five children on the hormone program in the 1980s have been contaminated with the rare Creutzfeldt-Jakob disease, which attacks the brain, causing dementia and death. Fifteen deaths have been reported.

Jean-Claude Job, a pediatric endocrinologist, is president of the France-Hypophysist-association which had a monopoly on collecting and distributing pituitary glands from corpses across France and eastern Europe in the 1970s and 1980s. The other doctor placed under investigation was Fernand Deay, former head of a research unit at the Institut Pasteur, which extracted a growth hormone from the glands. The case has compounded public concern in France about the ethics and dealings of the medical establishment, already shaken by a scandal over HIV-contaminated blood transfusions.

2 U.S. Soldiers Reported Wounded

ROME (Reuters) — Snipers wounded two U.S. soldiers in Mogadishu Tuesday, the Italian news agency ANSA reported, bringing to four the number of American troops injured in the Somali capital in two days.

The agency said Tuesday's attack occurred while soldiers escorted an American vehicle doing road work in the city. On Monday, two U.S. Army military policemen were slightly wounded by sniper fire.

ANSA, which gave no source for the report, identified the Americans injured on Tuesday as a lieutenant and the driver of a U.S. military vehicle that escorted the privately owned road work vehicle. The report did not say whether they were seriously wounded. The United States currently has about 4,000 troops in Somalia as part of the multinational UN peacekeeping force.

French Official Sues Over Accusation

PARIS (Reuters) — Interior Minister Charles Pasqua is suing a magistrates union for libel over allegations that police officers who freed nursery schoolchildren in a May hostage drama had intended from the start to kill the hostage-taker.

Erick Schmitt, a bankrupt businessman, was shot to death by police commandos May 15, ending a 46-hour classroom siege in the Paris suburb of Neuilly. Mr. Pasqua's office said Tuesday that he was suing Justice, the magazine of the leftist union, which wrote earlier this month that it had proof that a decision to kill Mr. Schmitt had been made before the police raid. The police said at the time that they had shot him when he stirred and opened his eyes.

Russia Says It May Raid Afghanistan

MOSCOW (AP) — Russia reserves the right to strike at targets inside Afghanistan in response to rebel raids into Tajikistan, a Security Ministry official said Tuesday. The comments came as Russia prepared to bolster its forces in the Central Asian state in its biggest action in the region since the 1979-89 Afghan war.

Tajik rebel attacks, which Russia charges were aided by Afghans, have killed 32 Russian border guards and Tajik soldiers in the last week. Early Tuesday, another Russian was slightly wounded by gunfire from the Afghan side of the border, the Interfax news agency reported.

Vladimir Bondarenko, the chief of staff of the Security Ministry, said that Russian border guards will "use all the forces and combat technology available to them not only to check, but also to prevent, acts of aggression."

Suspect Is Held in U.K. Gay Murders

LONDON (Reuters) — Police officers searching for a man who killed five homosexuals in London arrested a suspect Tuesday in southeastern England but did not immediately identify him.

Last week Scotland Yard released a computer-enhanced version of a photograph from a security camera of a man seen with the last victim, Emmanuel Spiteri. The photo showed a tall man with close-cropped hair walking in London's Charing Cross railway station with the victim shortly before he died.

A man believed to be the serial killer has telephoned the police several times since the murder spree began in March, promising to kill more homosexuals. The victims have been strangled or suffocated.

Jakarta to Allow Talks on East Timor

JAKARTA (Reuters) — Indonesia said Tuesday it was willing to allow and take part in talks between pro-Indonesian figures in East Timor and critics who oppose Indonesian presence in the former Portuguese colony.

Lopes da Cruz, an East Timorese who works as an ambassador-at-large for Indonesia, said President Suharto had agreed to a proposal by Timorese critics to open ties. Such contacts would be the first since Indonesia invaded East Timor in 1975, diplomats said.

Mr. da Cruz and Foreign Minister Ali Alatas both stressed that any such meeting would be informal and would not discuss Indonesia's sovereignty over the territory. Indonesia annexed it in 1976 in a move condemned by many Western countries and not recognized by the United Nations.

For the Record

At least 29 illegal immigrants from Indonesia drowned and 60 were missing after the captain of a boat smuggling them to Malaysia hit a sandbar and ordered them into the sea on Tuesday, police said. (Reuters)
Nepal's most serious and longest-running protests since 1990 have claimed at least five lives, opposition sources said Tuesday. (Reuters)

TRAVEL UPDATE

KLM and Northwest to Merge Routes

AMSTERDAM — KLM Royal Dutch Airlines and Northwest Airlines will merge their North Atlantic routes starting Sept. 26, KLM said Tuesday. The two airlines will offer passengers a combined service to 11 North American destinations using a central reservation system.

Together, the airlines will offer 87 flights from Amsterdam's Schiphol airport to U.S. cities. Northwest and KLM now offer a combined service to three U.S. cities from Amsterdam: Detroit, Minneapolis and Boston. The combined service will include round-trip flights from Amsterdam to New York, Chicago, Washington, Atlanta, Orlando, Houston, Los Angeles and San Francisco.

Strikers from the Belgian airline Sabena blocked the road to Brussels International Airport on Tuesday. Flights are being delayed by 30 to 40 minutes, a spokeswoman said, "but we are still flying." (Reuters)

New security equipment has been installed in the Holland Tunnel, which connects Manhattan with New Jersey, since the authorities uncovered what they described as a terrorist plot to bomb both it and the Lincoln Tunnel, which makes the same connection under the Hudson River. Similar equipment was installed in the Lincoln Tunnel during improvements over the last five years. (NYT)

Kathmandu was virtually cut off Tuesday as torrential rain swept away bridges leading to the Nepalese capital. At least 13 people were killed by flooding and a landslide elsewhere in the country. (AP)

China International Travel Service announced an agreement Tuesday to use the computer booking system of Australia's Jetset. Tourists in travel offices across China. (AP)

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ROYAL QUARTZ
RUE ROYALE, PARIS

Bodies of 4 Alpinists Found
GRENOBLE, France — The bodies of four mountaineers, including three who were roped together when they fell to their death in a weekend storm in the French Alps, have been found, police said Tuesday.

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Germany to Free Arab Kidnapper Early

By Stephen Kinzer
New York Times Service

BERLIN — German prosecutors announced Tuesday that they would soon release a Shiite Muslim kidnapper who has served half of a 13-year prison sentence and deport him to his native Lebanon.

The man, Abbas Hamadi, 32, was convicted in 1988 of abducting two German businessmen in Beirut. He had planned to hold them as

hostages to force the release of his brother, Mohammed Hamadi, 28, who is serving a life term in Germany for an airplane hijacking in which a U.S. Navy diver was killed.

But German officials resisted the coercion attempt and the businessmen were released unharmed. Abbas Hamadi was arrested soon afterward in Germany, where he had lived for several years.

The case of the Hamadi brothers has been sensitive and complicated, touching on issues of terrorism and hostage-taking.

Both brothers are linked to the Party of God, a militant pro-Iran militia in Lebanon. After Abbas Hamadi's effort to win his brother's release failed and he was himself arrested, a third brother, Abdel Hadi Hamadi, who is security chief for the Party of God, apparently directed the seizure of two German aid workers in 1989.

German officials made repeated efforts to negotiate the release of

the two, Thomas Kempton and Heinrich Strubig. The negotiations, which involved contacts with the Iranian and Syrian governments, succeeded last year.

German officials said they had agreed to ease prison conditions for Abbas and Mohammed Hamadi, moving them to a common jail and allowing them access to each other.

"We have not subjected ourselves to any kind of extortion," Foreign Minister Klaus Kinkel said at the time. "We have made no promises, and no funds have been promised or delivered."

A spokesman for the Lebanese Embassy in Bonn said that German and Lebanese officials had been discussing the question of Abbas Hamadi's release for months. "It is a matter that has been worked out between the two governments," the spokesman said.

Abbas Hamadi came to Germany in 1979, married a German woman and for a time held German citizenship. While in prison, he renounced his citizenship and became a Lebanese national again.

Hans-Jürgen Förster, spokesman for Germany's federal prosecutor, said German law permits the early release of foreign prisoners if they are immediately deported. He said Abbas Hamadi would be released Aug. 8.

Prosecutors insist that there are no plans to release Mohammed Hamadi. At his own request, he will soon be sent back to the prison near Frankfurt where he began serving his life sentence.

Mohammed Hamadi was one of two terrorists who hijacked a TWA passenger jet after it left Athens on June 15, 1985. The hijackers held the plane for 17 days, killing the U.S. sailor and terrorizing the passengers and crew.

Two years later, the German police arrested Mohammed Hamadi at the Frankfurt airport where he was found carrying explosives.

1550 من الالصال

STATESIDE / OUT OF FAVORS

Powerful House Leader Accused of Embezzling Funds

By Stephen Labaton
New York Times Service

WASHINGTON — The former postmaster of the House of Representatives has told prosecutors that he helped Representative Dan Rostenkowski, the powerful Illinois Democrat, embezzle \$21,300, according to prosecutors, defense lawyers and public records that describe some of the transactions.

The postmaster, Robert V. Rota, pleaded guilty in U.S. District Court on Monday to one count of conspiracy and two counts of embezzlement and said he had helped an undisclosed number of lawmakers embezzle tens of thousands of dollars from his appointment in 1972 until 1991, when he resigned.

Government and defense lawyers said that the guilty plea was a significant step toward indicting Mr. Rostenkowski but that it could be weeks before the government moved against him. Still, the plea by Mr. Rota, who has agreed to testify against Mr. Rostenkowski, came at a delicate moment, when the House and Senate had just begun negotiations on President Bill Clinton's economic program.

As chairman of the House Ways and Means Committee, Mr. Rostenkowski will be one of the central figures in those talks, and Mr. Clinton will also need him badly in months to come as Congress considers health care, welfare, trade and other issues.

In court on Monday, Mr. Rota did not identify Mr. Rostenkowski, referring instead to "Congressman A" and to "Congressman B," who, the former official

said, had stolen \$9,300. The government also did not identify either lawmaker, but documents supporting Mr. Rota's plea arrangement showed that Mr. Rostenkowski was Congressman A and that Joe Kolter, a Democrat who lost his Pennsylvania seat last year, was Congressman B.

Mr. Rostenkowski's aides said the lawmaker was in Chicago and could not be reached for comment.

Over the course of two decades, at the insistence of certain congressmen, Mr. Rota repeatedly took cash from House Post Office funds and turned it over to these members," said J. Ramsey Johnston, the interim U.S. attorney in Washington. There is as yet no indication of how many lawmakers were involved or who any of the others might be.

Prosecutors said Mr. Rota was scheduled to be sentenced Oct. 12 and faced a maximum prison sentence of three years and fines of as much as \$300,000.

Mr. Rota, 58, a career congressional official who resigned as the Post Office scandal erupted last year, admitted Monday that he had provided the lawmakers with a cover so that they could steal from expense accounts for office supplies through transactions that appeared to be legitimate.

Mr. Rota's story provided a startling glimpse into the life of a figure familiar on Capitol Hill but seldom seen outside Washington: the federal patronage employee eager above all to please those who gave him his job.

Throughout the scheme, prosecutors said, Mr. Rota did not make any money. Rather, he helped others profit illegally as a political favor.

★ POLITICAL NOTES ★

No Liberal, No Conservative, Says Ginsburg

WASHINGTON — President Bill Clinton's nominee to the Supreme Court, Ruth Bader Ginsburg, pledged on Tuesday to try to make her rulings impartially, rather than as a liberal or a conservative, if she is confirmed.

"My approach, I believe, is neither 'liberal' nor 'conservative,'" Judge Ginsburg said in a written opening statement prepared for her confirmation hearings before the Senate Judiciary Committee.

The 60-year-old federal appeals court judge also said that it would be wrong for her to say how she would view specific issues before the court, such as abortion.

The nationally televised hearing opened with leading Democratic and Republican senators indicating general support for the nomination even before they started asking questions.

"A judge sworn to decide impartially can offer no forecasts, no hints," Judge Ginsburg said, adding that "it would display disdain for the entire judicial process."
Barring unexpected trouble, she could breeze through the hearing by the weekend — in stark contrast to the uproar over Clarence Thomas's nomination in 1991. "My guess is that she will be approved unanimously," said Senator Paul Simon, an Illinois Democrat and committee member. (Reuters/AP)

A Big-Ticket Yank for High-Speed Eurotrains

WASHINGTON — Robert A. Farmer, a well-known Democratic fund-raiser, registered last month as a foreign agent. He will be the \$500,000-a-year chief executive of the U.S. office of a French-English-owned company.

The company, GEC Alsthom Inc., is part of a group that won the franchise to build a high-speed rail system in Texas. Mr. Clinton has proposed federal funding for high-speed railroads and, according to Texas news reports, the GEC group is seeking \$10 million for planning.

Mr. Farmer, who raised money for the Clinton campaign and has said he is raising more to boost the administration's health care package, joined the firm in March. He said the company had \$1 billion in sales in the United States, including building cruise ships for Miami companies.

He declined to say whom he had approached on behalf of GEC Alsthom. (WFP)

Expanded Political Leeway for Civil Servants

WASHINGTON — Legislation expanding the rights of most federal employees to participate in partisan political activity was adopted, 68 to 31, by the Senate on Tuesday.

The vote liberalizing the 1939 Hatch act came after the Senate acted to keep employees of the Justice Department's criminal division under the stiffer current rules.

The Democratic-controlled Senate acted after it disregarded Republican warnings that the change would politicize the civil service.

But in the days before the vote, Republicans succeeded in excluding from the provisions of the bill employees of all major law enforcement and national security agencies of the federal government, about 85,000 workers.

The House passed a separate version of the legislation earlier, and the differences must now be worked out by the two chambers for it to become law.

The Senate Republican leader, Bob Dole of Kansas, said that the bill had been improved but that the changes made in it during debate "don't go far enough."

"With these new rights, the very real danger is that the quality of our Civil Service will decline as policies replace merit as the key factor in hiring and promotion decisions," Mr. Dole said.

But John Glenn, an Ohio Democrat and floor manager of the bill, said the measure would have no such effect: "My legislation draws a bright line for federal workers so they know that all political activity is banned on the job and also know what is acceptable political activity off the job." (AP)

Quote / Unquote

Tom Dietrich, a National Weather Service hydrologist in St. Louis: "The good news is that the river has crested. The bad news is that it's going to stay high for quite awhile." (AP)

Gay Issue Is Settled But Not Forgotten

Both Sides to Hound Clinton

By Richard L. Berke
New York Times Service

WASHINGTON — In announcing his compromise policy on allowing homosexuals to serve in the military, President Bill Clinton is seeking to close the book on an explosive issue that has become a benchmark of the White House's own political naiveté.

But his announcement, carefully staged Monday before an audience of military brass, will not make the furor go away. Indeed, it threatens to haunt him throughout his presidency.

"I think it will be used against him every time he opens his mouth," said Albert McAlister, the Democratic state chairman in South Carolina. Mr. McAlister said sentiment had run strongly there against any change in the Defense Department's longtime ban on homosexuals.

"If you talk to people down South about the president," said, "sometimes the first thing they'll say is they talk about his position on gays in the military."

Advocates on the opposite side of the debate, particularly those who demanded a complete lifting of the ban, are not cheering either.

"This will only guarantee that the debate will become more bitter, more divisive and a bigger political issue," said David B. Moxner, a major Clinton fund-raiser among homosexuals last year whose relations with the president have been strained over military service.

"This was one of those moments in anyone's presidency where he either hears a call to greatness or surrenders the mantle of leadership. He didn't do either until today, and that was a real, real, real defeat."

Under the new policy, homosexuals cannot be barred from the military on the basis of their orientation but can be discharged for sexual conduct or for behavior showing a "propensity or intent" to engage in homosexual acts.

Some White House officials now acknowledge that it was a mistake for Mr. Clinton to have begun acting on so emotionally charged an issue only days after his inauguration in January, particularly without having adequately consulted the military chiefs and some congressional leaders, whose opposition to an outright lifting of the ban proved insurmountable.

And in trying to resolve the issue by seeking a compromise, Mr. Clinton only prolonged the debate, extending the period in which he was vulnerable to criticism that he had abandoned his campaign promise.

Although the president has insisted that he never became preoccupied by the issue, no other matter has caused him so much political agony on so many different fronts.

Critics on the right are furious that he would propose giving "special treatment" to homosexuals. Those on the left have rebuked him for

backing down on his campaign pledge.

From the beginning of his presidency, the issue has served to erode his stature as commander in chief and his relations with some members of Congress, particularly Senator Sam Nunn, the Georgia Democrat who heads the Armed Services Committee and who supported the Pentagon's ban.

All the furor arose from a campaign pledge on a matter that was

NEWS ANALYSIS

not the most important issue, either to him or even to homosexual rights groups, most of which were far more concerned about the fight against AIDS. Perhaps as a result, neither he nor they anticipated how bitter the fight would become or how easy it would be for others to exploit.

"I can't think back to a president hurt so early on by his own hand — not since President Ford's pardon of Richard Nixon, and that was a very different kind of issue," said Barbara A. Perry, a professor of government at Sweet Briar College in Virginia. "He did not anticipate the vociferous nature of the opposition."

Few on either side of the issue are willing to give the president a break. Gary L. Bauer, president of the conservative Family Research Council, who supported the Pentagon's ban, sounded scathingly similar to opponents of the ban, saying that Mr. Clinton had failed to demonstrate moral leadership.

"He said that he had the president's best interests at heart, but I think people would respect that more, that he has the courage of his convictions."

Even so, Mr. Bauer added, the president's compromise "undercuts the idea that he's a moderate, because he still comes across as beholden to the gay rights constituency."

Advocates of equal rights for homosexuals also made it clear that they would not allow the issue to disappear. The Lambda Legal Defense and Education Fund and the American Civil Liberties Union announced that they would file a court challenge on behalf of "tens of thousands of lesbian and gay service members who are denied their constitutional protections under the new directive."

Mr. Clinton does have his sympathizers, who note that even under the compromise he has moved more boldly than any other president to ensure gay rights.

"If this man had not been president," said Representative Gerry E. Studds, Democrat of Massachusetts, a homosexual, "this wouldn't even be on the national agenda. It's a small step, but Clinton was able to do something that makes life less awful, or less unbearable, for some gays and lesbians."



President Bill Clinton with the new FBI chief, Louis J. Freeh, whom Mr. Clinton praised as a "law enforcement legend."

FBI: Clinton Names a Fighter Against Narcotics Trade to Head the Bureau

Continued from Page 1

called him "the single best person to head the FBI."

Mr. Giuliani, a Republican who is running for mayor of New York, is the former longtime federal prosecutor in New York, and Mr. Freeh served as his deputy before being named by President George Bush to a federal judgeship in 1991.

"The FBI's morale has been restored with the single act of naming Louis Freeh," Mr. Giuliani said.

He added that he believed one of Mr. Freeh's primary tasks would be to move the bureau and its 10,324 agents further into international crime-fighting.

Mr. Freeh grew up in New Jersey

wanting to be an FBI agent. Soon after graduating from law school at Rutgers, he joined the bureau and helped lead a racketeering investigation of the dock workers' union that led to the convictions of more than 120 people.

He left the agency six years later to become a federal prosecutor in New York, a role that led him into two of the most prominent criminal investigations of the 1980s.

Mr. Freeh was the lead prosecutor in the three-year "Pizza Connection" inquiry, involving an East Coast heroin ring in which the Mafia used pizza restaurants as fronts.

The trial lasted more than a year, and a reputed former Mafia boss,

Salvatore Catalano, was convicted and sentenced to 45 years in prison.

"Drug dealing is a disease, it's a cancer, it's a plague upon society," Mr. Freeh argued in urging maximum sentences. "There are war zones in this city that have been devastated by these defendants."

Mr. Freeh also directed a Justice Department task force in a complicated civil rights and bombing investigation in the South that led to the murder conviction of Walter Leroy Moody Jr. after mail bombs killed a federal judge in Alabama and a civil rights lawyer in Georgia.

Panel Backs Arms for Taiwan

The Associated Press

WASHINGTON — The Senate Foreign Relations Committee, defying State Department recommendations, has voted to abolish a 15-year ceiling imposed by successive U.S. administrations on weapons sales to Taiwan.

Defense industry analysts said Tuesday that the decision, if accepted by the full Senate, could mean hundreds of millions of dollars in additional U.S. arms sales to Taiwan every year. It was also likely to anger China, which opposes any action that strengthens Taiwan, over which it claims territorial rights.

The little-noticed provision, adopted on a 20-to-0 vote last week as part of the State Department's authorization bill for the 1994 fiscal year, would allow as many U.S. arms sales as Taiwan requires for its self defense.

The State Department had lobbied against adoption of the provision, said a congressional aide who spoke on condition of anonymity.

The provision was expected to win the support of the full Senate because it could translate into new jobs and because of congressional displeasure over Beijing's human rights record and its sales of nuclear and missile technology.

Away From Politics

Mayor David Dinkins' handling of 1991 anti-Jewish riots in Brooklyn in which an Australian rabbinical student was killed was criticized in an official report that said the New York police made numerous errors. The report on the Crown Heights riots of August 1991 criticized Mr. Dinkins for not making sure the police carried out their job of keeping the peace.

Colorado's Supreme Court refused to put into force the anti-gay-rights amendment that triggered a nationwide boycott of the state, saying the law probably violated the U.S. Constitution. The amendment, approved by 53 percent of Colorado's voters, would ban state and local laws prohibiting discrimination based on sexual orientation and would strike down gay-rights ordinances on the books in Aspen, Boulder and Denver.

An American suspect in the shoot-out that killed a cardinal and six others at the airport in Guadalajara, Mexico, was arrested in San

Diego, the authorities said. The U.S. Marshals Service said Jesus Zamora Sales, 20, was captured in a Lompoc, California, church.

A 29-year-old woman said that she was shoved overboard into Florida's Pensacola Bay after she refused to have sex with her boating partner. Police charged the man, Nicholas Koussalis, 49, of Pensacola, with attempted murder and attempted sexual battery.

The Kinsey Institute might close or relocate if Indiana University does not restore full funding to the sex research center, board members said. The university has cut by 50 percent its annual funding for the institute, founded in 1946 by a sex research pioneer, Dr. Alfred C. Kinsey, who ran it until his death in 1956.

An Atlas 2 rocket blasted off from Cape Canaveral carrying a military communications satellite and breaking a string of bad luck for General Dynamics.

AP, Reuters

ASIA: U.S. Shifts Focus of Foreign and Trade Policy Away From Europe

Continued from Page 1

being asked by Washington whether they are ready to start taking politically painful measures to lower barriers to trade and investment in the Asia-Pacific to help anchor U.S. in region, spur economic growth and counter protectionist trends in the U.S., which is the largest market for East Asian exports.

The proposed summit meeting would likely follow a scheduled conference in Seattle in November of APEC foreign and trade ministers.

Australia, Canada, Singapore, the Philippines and South Korea have already said that they will attend the summit talks.

But analysts said that if China, Japan or Indonesia stayed away, it would be a personal embarrassment for Mr. Clinton and a setback for Asia-Pacific integration.

Some officials of APEC countries warned Tuesday that if the United States was rebuffed, it might lose enthusiasm for the idea of a Pacific Community.

"There's a real risk about slipping President Clinton in the face," a senior Australian diplomat said.

Most countries in East Asia and the Western Pacific, he said, favored a strong U.S. economic and security presence to maintain stability in the area and discourage any regional power from emerging in a dominant position.

The diplomat noted that since Mr. Clinton's election in November, many Asian officials and analysts had been saying that he was "a Euro-centric with an administration that is heavily focused on NATO and trans-Atlantic ties."

In Tokyo, Mr. Clinton took a very different tack by emphasizing that growth of the U.S. economy,

exports and jobs had become increasingly dependent on trade with Asia.

His Tokyo speech followed a series of incursions U.S. trade disputes with the European Community and growing difficulties for Washington in extending a free trade pact between the United States and Canada to Mexico and eventually other Central and South American nations.

Mr. Clinton pointed out that more than 2.3 million American jobs were tied to goods worth \$120 billion the U.S. exported to Asia in 1992.

While Europe was the main U.S. trading partner until a decade ago, more than 40 percent of U.S. trade

today is with Pacific Rim nations, and the proportion is growing.

"In years past, frankly, some Americans viewed Asia's vibrancy and particularly Japan's success as a threat," Mr. Clinton said. "I see it very, very differently."

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U.S.-North Korea Deal: A Starter?

By Joseph Fitchett
International Herald Tribune

PARIS — While the nuclear accord reached by the United States and North Korea has only limited technical significance, experts said Tuesday that it could point the way to a broader political bargain leading the Pyongyang regime to abandoning plans to build atomic weapons.

The main development of the Geneva talks was North Korea's agreement to open talks with the International Atomic Energy Agency about letting UN inspectors visit suspect nuclear sites.

In exchange, North Korea has already attained its goal of a political dialogue with Washington that some say may amount to international recognition for Kim Il Sung, 81, who presides over one of the world's last Communist regimes.

"Over the last three months, the North Koreans got something they have wanted: sustained, reasonably high-level discussions with the United States," according to Thomas L. McNaughton, a Asia specialist at

the Brookings Institution in Washington.

Echoing that point, a North Korean diplomat described the accord as an important step toward better bilateral relations between his government and the United States that he said must be followed up.

Pah Dong Tchoun, ambassador to France, one of the few Western nations that has diplomatic relations with Pyongyang, said in an interview that his government expected to see his government and Washington take "further concrete steps toward the denuclearization of the whole continent" in the next two months.

Some analysts feel, however, that North Korea might simply be maneuvering to gain time or adopting less confrontational tactics in order to ease international pressures while continuing to pursue nuclear weapons secretly, even if it eventually accepts the added complication of letting IAEA inspectors back into the country.

Last month, North Korea tested

a rocket that could carry nuclear warheads as far as Japan — a development that alarmed Tokyo and prompted Japanese leaders to warn about the risks of a nuclear arms race in Asia.

But Mr. McNaughton, expressing cautious optimism, said that North Korea's readiness for talks with the UN agency lent support to the view that the regime was finding it too costly, difficult and dangerous to continue trying to become a nuclear power and hoping to extract a political price for abandoning the program.

"If the North Koreans are going to get out of the nuclear business," he said, "they want to get the politics right, meaning that they want to do it in a way that avoids embarrassment and assures their legitimacy. They can worry about economic challenges."

In his view, North Korea complains about nuclear threats to its existence — ignoring assurances from South Korea that it no longer has any U.S. nuclear weapons on

its soil — are a way for the Pyongyang regime to voice fears that it will suffer the fate of Communist regimes in Eastern Europe.

In fact, some observers say that South Korea wants to avoid the collapse of the Pyongyang regime and an expensive German-style reunification. The Clinton administration, by seeking a way to work with North Korea on nuclear issues, may have persuaded hard-liners there to seek accommodation.

Seoul Welcomes Move

South Korea on Tuesday welcomed the North's decision to resume talks on opening its suspected nuclear sites to inspectors as an important step toward easing tensions on the Korean Peninsula, Reuters reported from Seoul.

"We evaluate the results of the U.S.-North Korean contacts in Geneva as an important step toward resolving the North's nuclear problem," a South Korean Foreign Ministry spokesman said in a statement.

Arms Sales to Third World Plunge

20% Drop Attributed to Falloff in Russian Exports

By Eric Schmitt
New York Times Service

WASHINGTON — Arms sales to the Third World fell last year to their lowest levels since at least 1985, primarily because Russia's sales hit record lows, the Congressional Research Service reported. Sales from Russia to the Third World plummeted to \$1.3 billion in 1992, down from a high of \$2.8 billion in 1986. Russia was by far the largest arms producer and exporter of the Soviet republics.

Overall, arms sales to the Third World dropped 20 percent to \$23.9 billion, from \$28.6 billion in 1991, measured in constant 1992 dollars. U.S. sales to Third World countries fell slightly, to \$13.6 billion from \$14 billion in 1991, but Washington's share of sales increased to 57 percent from 49 percent in 1991. It was the third consecutive year that the United States was the largest seller to Third World nations.

Richard F. Grummett, who prepares the report each year, said on Monday the reasons for the reduction in arms sales included the end of the

Cold War and the reduction, especially by Moscow, of military aid programs that granted steep discounts to Cold War clients.

But arms exports remain one of Russia's main sources of hard currency to help sustain political and economic reforms; and the Russians have sought customers that can pay cash, like Iran. In addition, Moscow has sought to drum up business with China, a former adversary that wants advanced weaponry, and India, a longtime client that has eagerly pursued deals for Russian missile technology.

The new sales have raised concerns among American officials, who worry that their efforts to curb the spread of advanced weapons could be undermined by Russia's need for cash.

On the strength of the sale of 60 Mirage 2000 jets to Taiwan, France last year sold \$3.8 billion of arms to Third World countries, up from \$2.8 billion in 1991. Britain, the third-leading arms exporter to the Third World, increased its sales last year to \$2.4 billion from \$2 billion.

The Middle East remains the largest arms market in the Third World.

Sihanouk Drops Plans to Consult Khmer Rouge

The Associated Press

PHNOM PENH — Prince Norodom Sihanouk says he is abandoning peace talks with the Khmer Rouge because of U.S. threats to withhold economic aid from Cambodia.

In a statement issued in Beijing, Prince Sihanouk, 72, said he no longer planned to meet the Khmer Rouge, in September or after that. But the prince is known to frequently change his mind.

The prince, who has recently been treated in Beijing for a series of ailments, said "incessant" American warnings were making him even more ill and driving him toward a mental asylum.

The United States has said it would not aid any government that included the Khmer Rouge, which is blamed for the massacres of hundreds of thousands of people and which did not participate in the UN-sponsored election in May.

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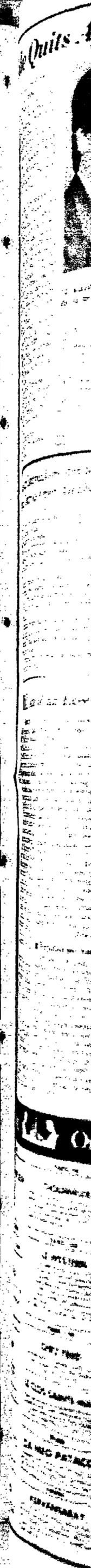
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Aide Quits After Confronting Miyazawa

TOKYO—A Japanese minister demanded Tuesday that Prime Minister Kiichi Miyazawa step down, then resigned himself when his demand was rejected.

The sudden decision by the minister of posts and telecommunications, Junichiro Koizumi, further weakened Mr. Miyazawa's grip on power following the Liberal Democratic Party's setback in elections on Sunday.

"It is not that I am obsessed with the position," Mr. Miyazawa told a Liberal Democratic Party committee on Tuesday, party officials said.

"Please don't misunderstand me, I will soon make such a decision."

It is expected that potential coalition partners will make Mr. Miyazawa's resignation a condition for joining any governing coalition, and party insiders said they expected him to announce his resignation during a meeting of his party's lawmakers on Thursday.

The newly formed Committee for Advancement and Party Unity, headed by a party elder, Roshio Komoto, has begun the arduous task of trying to find a candidate who would be acceptable to all wings of the party.

Since the Liberal Democrats lost their majority on Sunday, the candidate must also be able to convince unwilling opposition parties to join a governing coalition or at least an alliance.

"We must keep the opposition in mind in choosing the successor," Mr. Komoto said.



The Associated Press
Mr. Koizumi commenting Tuesday on his decision to resign.

Mr. Koizumi and several other leading Liberal Democrats have already spoken out in public, urging Mr. Miyazawa to resign to take responsibility for the party's fall from favor and clear the way for a new government.

But it was a highly unusual step for Mr. Koizumi to make the demand directly to Mr. Miyazawa at the cabinet meeting on Tuesday.

Japanese ministers, who are appointed by the prime minister, hardly ever show disloyalty or make such demands face-to-face.

Cabinet meetings themselves are typically brief affairs, with important decisions made beforehand.

Immediately after Mr. Koizumi made the demand, the chief cabinet secretary, Yoshi Kono, ordered him to retract his remarks.

Mr. Koizumi refused, and announced he was resigning. He later handed in a formal letter of resignation, which Mr. Miyazawa accepted.

"I directly advised the prime minister about his future, and that's a very serious thing," Mr. Koizumi said. "Having said that, I thought it was appropriate for me as a cabinet minister to submit my resignation."

With the chorus for Mr. Miyazawa's departure growing, it was unclear how much longer he could hold on.

Mr. Miyazawa, 73, considered a lame duck since losing a no-confidence vote in June, surprised party members Monday when he refused to resign immediately, saying he would make his own decision after considering the views of party members.

"I have no intention of just hanging onto my position," Mr. Miyazawa said, speaking to party leaders who had urged him to step

down. "I am doing this job at the party's behest. It will determine my fate."

With no single leader in charge after elections that left no party in clear control, Japan faces a period of political instability as groups jockey for power.

A group of younger members of the Liberal Democratic Party issued a statement Monday urging Mr. Miyazawa to immediately step down.

The economic newspaper Nihon Keizai commented: "We understand Mr. Miyazawa still has a lot to say, but his role as prime minister is finished."

During the formation of the new government, Japan's powerful bureaucrats are expected to keep running day-to-day affairs, and no major policy shifts are expected even after a new administration takes over.

But the lack of strong central leadership is likely to hinder progress on tough trade and economic issues.

Mr. Miyazawa was forced to call Sunday's elections after his government lost a no-confidence vote on the issue of political reform.

UN: A Plea for Help

Continued from Page 1

In an annex to the document, the presidency says that if peace cannot be achieved on the basis of its plan, it is ready to ask the Security Council to put the Bosnia-Herzegovina Republic under a protectorate.

The presidency also suggests a reconvening of the London Conference of last year, but only if a ceasefire is declared first and if aid convoys are allowed to travel unhindered.

Three presidency members, a Serb, a Croat and a Muslim, have been working on the peace plan since June 30.

Sources said the talks might not start until Friday or Saturday to give time to an EC mission headed by the Belgian foreign minister, Willy Claes, to persuade Mr. Izetbegovic and his vice president, Ejup Ganic, to return to the talks.

Heavy fighting between Bosnian government forces and their former allies, the Bosnian Croat militia, was reported in several areas of central Bosnia.

Major Luk Niessen, a spokesman for UN peacekeepers, said sketchy reports from Mount Igman indicated that Bosnian forces were attacking at night and recapturing

Tito Limousine Is Up for Sale

The Associated Press
BELGRADE—The cash-strapped Yugoslav Army is auctioning a Rolls Royce Phantom V given in the 1960s by Queen Elizabeth II to the Communist president, Tito, and hopes bids for the 1960 model will start at \$814,000.

The luxurious 6-meter (19.5 feet) limousine, equipped with a bar, is now on display at Belgrade army headquarters. Tito, who died in 1980 after ruling Yugoslavia for 35 years, was a collector of luxurious items, including cars.

The Yugoslav Army has found itself in deep economic trouble because of tough United Nations sanctions imposed last year and because of Serbia's financing of rebel Serbs in Croatia and Bosnia.

positions seized by the Serbs during the day.

In central Bosnia, where government troops and Bosnian Croat militia have been battling for territory, Major Niessen reported heavy fighting in Gornji Vakuf, where shells hit a barracks housing British peacekeepers.

Kohl, Recalling Hitler, Urges Fight on Racism

Agence France-Press
BERLIN—Chancellor Helmut Kohl used the anniversary of the July 1944 plot against Hitler to issue a strong appeal against racism and violence sweeping Germany.

"July 20 reminds us of our duty to respect the inalienable dignity of human beings and to work unceasingly for peaceful co-existence among peoples," Mr. Kohl said in a statement marking the 49th anniversary of Colonel Claus Stauffenberg's bid to kill the Nazi dictator with a bomb.

"Law, human dignity and freedom can only become fundamental to national life if they are combined with the qualities of loyalty, courage and a sense of duty," he said.

The deputy mayor of Berlin, Christine Bergmann, who co-chaired the anniversary commemoration, said that it was "more important than ever to recall the era when that some young people are openly championing the darkest chapter of German history and committing shameful acts."

She was alluding to neo-Nazis and skinheads who have attacked foreigners and desecrated Jewish cemeteries in the last three years.

Rightist extremists have killed 26 people in 18 months.

Shortly before she spoke, German fire fighters saved 27 people from a suspected arson attack overnight in a building housing foreigners in this town near Herford, the police said.

The fire appeared to have been started with a match and turpentine in a first-floor apartment whose Iranian tenants were away on vacation, the police said.

Malaysian Official Notes Lack of Ozone Funding

Reuters
KUALA LUMPUR—Rich nations are attempting to derail a global fund set up to help developing nations avoid using ozone-depleting substances, a senior Malaysian official said Tuesday.

Environment Minister Law Heng Ding, at a conference here, said developed nations had contributed only half of the targeted \$240 million under a multilateral fund set up in 1990 to help developing nations phase out such use.

Russian Lawmakers Act to Restore Strict Controls Over Alcohol Trade

MOSCOW—The Russian parliament moved Tuesday to restore order to the increasingly chaotic alcohol trade with strict controls on sales, production and advertising.

A new law said state enterprises producing pure spirit—the basis of vodka—could not be privatized or leased, Interfax news agency said. The enterprises must obtain a state license and a production quota.

The amount of pure spirit produced and sold is to be decided by the government, Interfax added. The sales of alcohol would be conducted only under a license, issued by district or city administrations. The law also said the quality of alcohol should correspond to state standards.

If implemented, the measures will affect the flourishing street trade in domestic and imported spirit and may send already high prices higher. The vodka market has been a leading source of state revenues since czarist times.

The government freed prices on vodka in May 1992 but retained the state monopoly on production.

ITALY: Death of an Executive

Continued from Page 1

dal began to unfold. Mr. Cagliari, 67, had been held in connection with alleged kickbacks of a billion lire (\$2.5 million) from a gas pipeline project in the Balkans.

Authorities in Milan's San Vittore prison said Mr. Cagliari had left his cell at 9 A.M. for a shower. He returned to his cell alone at 9:30 while his two cellmates were outside for air and exercise. Ten minutes later, his body was found.

Mr. Cagliari resigned from ENI shortly after his arrest. The \$30 billion conglomerate owns the petroleum company AGIP, which has gas stations around Europe.

The Liberal Party vice president, Raffaele Moralli, called Mr. Cagliari's death a "tragedy" and said, "This was using custody power as a simple instrument of torture. Parliament must act urgently to stop the judicial degeneration of the Republic."

A former prime minister, Bettino Craxi, forced to resign as Socialist Party leader because of the scandal, called Mr. Cagliari "another victim of the violent use of judicial power."

Justice Minister Giovanni Conso, addressing the lower house of parliament, said the government would "reflect very carefully" on possible reforms to the preventive custody system.

The Republican Party parliamentary leader, Guglielmo Castellani, called for an urgent examination

of the custody laws under which Mr. Cagliari was being remanded in jail.

Hundreds of people, more than 100 of them businessmen, are under investigation for alleged kickbacks, most associated with government contracts.

The fact that so many are leading businessmen has raised fears that Italy's overall industrial and commercial sector is being undermined.

Not only are large numbers of senior managers under suspicion but whole areas—especially construction—have ground to a halt.

Some politicians immediately recalled the poisoning death of Michele Sindona, a financier who died in prison in 1986 after drinking cyanide-laced coffee. The family claimed he was murdered, but a judge ruled it suicide.

Republican Aide Held

Aristide Gunnella, a former Republican Party minister, was arrested in Palermo on Tuesday in the corruption probe, Sicilian police told Reuters in Palermo.

Mr. Gunnella, who has been missing since July 14, is accused of receiving illegal contributions from two businessmen for his party's 1991 local electoral campaign.

The former minister without portfolio in charge of regional affairs is also accused of taking a bribe in connection with the awarding of a contract to build an aqueduct in Sicily.

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What happened to Japan's predicted electoral revolution? The morning after the vote, many familiar faces could still be found at center stage...

Return of a Lawyer's Fee

Abraham Sofaer, who was the top lawyer at the State Department from 1985 to 1990, contracted recently to represent Libya in dealing with the legal consequences of the bombing of Pan Am Flight 103 over Lockerbie, Scotland...

A Clinton Compromise

For the half-century before President Bill Clinton took office, homosexual men or women who sought to serve in the armed forces or whose record of service in uniform was exemplary were still considered unfit for duty...

Other Comment

Uncertainties in Tokyo: The new government (or its successor) will have to oversee a great deal of difficult economic as well as political reform. The general economic shakeout and the reform, under American pressure, of government procurement...

Governments of the World, Help Workers Get Smart

By Robert B. Reich
The writer is U.S. secretary of labor.

WASHINGTON — Throughout the industrialized world there seem to be too few good jobs to go around. The problem manifests itself differently in different countries, but the failure of any to ensure good jobs for many able and willing citizens raises a troubling question: Do advanced nations have to choose between good jobs and more jobs?

into a world grown suddenly quite different? No country has yet found the formula. But different countries have illustrated different ways to get it wrong. The Continental European approach has been to have government intervene heavily in the wage-setting process and seek to preserve the existing pattern of employment...

ished ground rules for measuring how far Japan opens its market. The odds of advanced nations adapting to a changing world are higher than they were before the summit meeting, holding hope for America's own economic recovery.

Some parts of it are already embodied in legislative initiative; others are still taking shape. The imperative of investment in the work force is so compelling and the goal of building America's skill base so broadly shared that the debate remains remarkably free of partisan wrangling.

Expect China's Far-Flung Military to Remain Loyal to the Center

By Ellis Joffe

SHENZHEN, China — China's economic surge reflects considerable decentralization and regional disregard for central authority. However, predictions of imminent fragmentation into regional economic satellites are greatly exaggerated.

the Asia-Pacific region also economic difficulties or other factors compel U.S. forces to leave it. As modernization progresses, military professionalism will be strengthened. The stronger it becomes, the less likelihood of the army supporting moves toward regionalism.

commanders is in the hands of leadership in Beijing. When installed, they are subject to surveillance and political control. The center can also remove, reshuffle or replace commanders in the provinces if it deems or anticipates suspicious behavior.

As evidence, the Chinese point to the consequences by Japan of its Kongo-class destroyer program. Conceived in the mid-1980s, the program was a direct response to the naval threat posed by the Soviet Union.

The World Doesn't Need a UN Legion

By John R. Bolton

WASHINGTON — Beware of the concept of a "UN Legion," a small, volunteer army available to the Security Council to deploy early in crisis situations.

reably be expected to take it? As for the United States, it is perfectly legitimate to ask before it steps forward what the nations in the region of an international crisis are prepared to do militarily.

the Security Council's five permanent members and others they might invite to join. Mined after World War II's joint U.S.-British staff, they were to be, in effect, Joint Chiefs of World.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO
1893: Friendly Words
LONDON — Presiding yesterday (July 20) over a banquet which followed the laying of the foundation stone of the new deep harbor at Dover by the Prince of Wales, Lord Dufferin said: "The chief characteristic of the era of Queen Victoria has been the maintenance of unbroken peace between ourselves and France."

International Herald Tribune
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairman
RICHARD McCLEAN, Publisher & Chief Executive
JOHN VINOCUR, Executive Editor & Vice President

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OPINION

Sending the Invaders Back Where They Came From

By A. M. Rosenthal

NEW YORK — Americans can rest easier. Washington has shown that it can protect its citizens against at least one great peril from abroad.

No, it is not drugs. And it is not the foreign guns that are so attractive to American collectors and street killers, not that. And it is not the laundered money and shadow companies that allow foreign dictators to buy American technology and products that can be turned into weaponry.

ON MY MIND

shown that it knows how to put together the power of the U.S. Navy, the Supreme Court and the federal bureaucracy to stop this danger: the possibility that refugees from Communist China can get a decent hearing before they are shipped back in handcuffs.

For anybody who still cares about that old sentimental stuff about America being a home for those who flee despotism, that is the meaning of the nasty episode of the three ships intercepted by the navy in international waters.

The Clinton administration has decided to get tough about immigration. No more musty Reagan-Bush-era immigration on following regulations that gave undocumented immigrants landing in the United States a full chance to prove they were refugees. Now it is stop them in the water and ship them back without hearings that take time and money.

Anti-Chinese Law

IT IS no exaggeration to say that U.S. immigration law was created for, and is still based upon, the exclusion of Chinese. Significant immigration from China began in the California Gold Rush of 1848. During and after the Civil War, Chinese worked to build the transcontinental railroad.

—Jan C. Tigg, a law professor at Temple University and former assistant commissioner of the U.S. Immigration and Naturalization Service, commenting in The Washington Post.

A handy ruling, that. No doubt one day it will be evoked again against foreign ships and citizens by the Chinese Communists. Beijing had its own policy of piracy at sea long before the Supreme Court was struck by the idea.

Then the United States twisted Mexico's arm; you could hear bones cracking from Baja California to Yucatán. So Mexico let the Chinese land long enough to shove them on planes, in handcuffs and away from the press — back to China, and the attentions of the Communist police. How many of those were political refugees, not ordinary folk committing the deportable crime of crossing seas in search of bread? Probing here and there, you discover an unpleasant bureaucratic charade.

Translators were sent to the ships by the U.S. Immigration and Naturalization Service. They had been told to ask the Chinese to fill out a detailed questionnaire proving that they were political refugees in danger of their lives if sent back, not just fleeing China in search of work and liberty.

Only 184 took the chance that the questionnaire, which would be sent to Geneva to the United Nations refugee commissioner, would one day fall into Communist hands. Back came the evaluation — at least 58 made good cases. That should have guaranteed them hearings. But the INS did a little windowing out, reducing the list — to one.

And what about the 474 who refused to fill out the questionnaire? That worries Arthur Heilson of the Lawyers Committee for Human Rights. It should worry anybody who cares about refugees. Some of the most endangered believe that it is asking for the nose to fill in forms on political oppression if there is a strong possibility that they will be sent back.

Were there 48 refugees? Four times that many? Or just one? For those who care about refugees and a taste of liberty? These people are not officially considered deserving of America's compassion. By blocking hearings, America made sure that the world could never know.

Americans seem to be in an anti-immigration mood. "What, you want a billion Chinese over here and all those, you know, Haitians?" Let's cut through it — the obsessive emphasis on Chinese and Haitians is racism.

Bill Clinton owes the country a careful report on immigration — advantages as well as costs. Instead the administration is rushing legislation that could reduce hearings to kangaroo courts presided over by immigration agents, not judges.

—Bill Clinton, in an anti-immigration mood. "What, you want a billion Chinese over here and all those, you know, Haitians?" Let's cut through it — the obsessive emphasis on Chinese and Haitians is racism.



LETTERS TO THE EDITOR

Toward an International Criminal Court

I wish to refer to the editorial in your July 7 issue entitled "A Court for World Outlaws." It was not the United Nations Security Council but the General Assembly which at its last session requested that the International Law Commission undertake the elaboration of a draft statute for an international criminal court as a matter of priority and submit a progress report to the General Assembly this year.

Unlike the Ad Hoc International Criminal Tribunal for crimes committed in the former Yugoslavia, created by a Security Council resolution, the international criminal court being considered by the International Law Commission is, according to guidelines established by the General Assembly, to be established by a multilateral convention, and its jurisdiction will be broad enough to cover all crimes under international law as well as some other crimes (such as serious drug-trafficking) which states have already pledged by treaty to consider as punishable conduct under their national laws.

It is, inter alia, this consensual and broader basis of the proposed court's jurisdiction that makes the process of drafting the statute of such a court a particularly time-consuming and delicate one. The commission's goal is not to add one more instrument to the already long list of draft statutes for an international criminal court that have been drawn up in the past by public or private entities, but rather to come up with a draft instrument which, while responding to the present needs of the international community, reflects realistically the present degree of commitment by states to the very idea of such an institution, thus paving the way for a process of ratification or accession to the court's statute, which may lead, in time, to a truly universal criminal jurisdiction.

While it is for others to judge the degree of our success, the goal was to produce an instrument along the lines called for in the editorial, and one which resolves the problems identified therein.

JULIO BARBOZA, Chairman, International Law Commission, Geneva.

Opening Up Japan

Regarding "The Carrels of the Mind" (Opinion, June 16):

Chalmers Johnson asserts that Japanese universities are closed to foreign scholars, the Japanese legal system is closed to foreign firms, and Japanese news gathering associations are closed to foreign correspondents.

He further contends that these "carrels of the mind," which, in his view, are far more important than Japan's "production carrels," are the result of restrictive rules that could be changed overnight by the government. His judgment is misguided.

Admittedly, there still remain some elements which cause outsiders to consider Japan "closed." But more and more Japanese are convinced that what is imperative is for educators, lawyers and journalists to work of their own volition to effect change.

Greater access to press conferences and briefings has been provided to foreign journalists by a number of government ministries, the Bank of Japan, the business lobbying group Keidanren and other organizations.

He Should Have Said 'No'

Regarding "Nominees Unite! Tell the President 'No'" (Opinion, June 6):

If only Senator John Danforth had given his own advice to his protégé, Judge Clarence Thomas. Instead he promoted a poorly qualified candidate for a powerful position with relentless zeal. If only Judge Thomas had just said "no," as Mr. Danforth suggests today, many people — including the nominee — would have been spared unnecessary pain.

MARION HUNT, Leuven, France.

NAGAYO HOMMA, Tokyo.

By some strange law of the physics of intellectual life, an intellectual excess in one direction is apt to produce a comparable and opposite excess. So today we hear much from people (today's American vice president, for example) who believe that climate, and much of the rest of the natural world, is highly changeable, even fragile.

Such people believe that human behavior, unless controlled by wise government, will have large and lasting and deleterious consequences — global warming, or cooling, or whatever. And they believe that well-regulated societies can regulate the planet's thermostat, and much else.

The technological bravado of the 1980s and the apocalyptic environmentalism of the 1990s are cousins. It is difficult to decide which is potentially more harmful, and it is wrong to say that they are really very different. Both assume that it is easy to discombobulate, either consciously or carelessly, the planet's fundamental processes.

However, the greening of the blasted slopes of Mount St. Helens testifies to the planet's often underestimated resiliency. In contrast, we Americans consistently overestimate the ability of our governance to subdue social events, which always are at flood tide.

Consider two current matters, one abroad, one domestic.

U.S. forces went to Somalia eight months ago for a few weeks — a few months, at most — to facilitate food distribution. Now U.S. gunships have used missiles and cannon to blast something called "the command center" of someone identified as a "fugitive Somali warlord." A number of Somali civilians were killed and wounded, and an enraged Somali mob killed four journalists who came to the scene to assess the damage. As "nation building" progresses, political levees presumably will be built to control the flow of such passions.

Meanwhile, back along the Potomac, some members of the gargantuan House-Senate conference on the \$500 billion five-year "deficit reduction package" say the final package may actually have \$20 billion less in deficit reductions. Oh.

Still, it is awesome that these people have such mastery of economic projections and manipulations. They can, they say, anticipate the consequences of their legislative decisions on hundreds of millions of people making trillions of economic decisions over five years. Hence, they know precisely how much deficit reduction they are enacting, down to the last \$20 billion over five years or \$4 billion per year, which is one-quarter of 1 percent of annual gross domestic product.

With such fine-tuning, they must have that Mississippi of red ink tamed. Like the river.

Washington Post Writers Group.

It's a Scandal: The River Doesn't Do as It's Told

By George F. Will

WASHINGTON — One hundred and thirty July's ago the president, referring to the Mississippi, said, "The father of waters again goes unweaved to the sea." Abraham Lincoln was pleased, the occasion being the triumph of the siege of Vicksburg by a general from the Mississippi River town of Galena, Illinois — U. S. Grant.

It would be nice if that willful river — today 16 miles (26 kilometers) wide on some Illinois and Missouri plains — would be more vexed by human ingenuity. But the big river, by riveting attention on the unpredictable and uncontrollable sphere of life (which is almost all of life), has some lessons for the river town in which the national government sits.

Mother Nature along the Mississippi and human nature along the Potomac are both misbehaving.

The Mississippi runs through America's imagination. On it Huck Finn found freedom by floating away from chafing facets of civilization. And in 1901, in a house on a Mississippi River bluff near Little Falls, Minnesota, a boy was born whose early impulses for solitary adventuring were indulged on the great river — young Charles Lindbergh in his canoe.

For a long time now people have been trying to tame the river. Today, while deeply regretting the material damage and mourning the human tragedies that the river is causing, it is difficult to suppress a secret exhilaration about the way the river casually shrugs off the restraining hand of man.

We need recurring reminders of how little mastery our species has — of itself, of events, of nature, of the present or the future.

Regarding nature, at least, we have come some way toward caution about what we can know and do. Not long ago serious people felt that manipulating nature was a practical possibility.

For example, in his "Eisenhower: The President," Stephen Ambrose recounts a June 1957 meeting that President Dwight Eisenhower held with three scientists concerning peaceful uses of atomic energy. Physicist Edward Teller, perhaps hoping that the president's interest in such uses might make him support additional atomic detonations for test purposes, suggested the possible use of atomic devices for altering the flow of rivers and even to modify the weather by changing the dust content of the air.

Such technological hubris has a jarring, even childlike, ring today. Who nowadays would try to interest a president in attempting to control the climate? Well, come to think about it, the vice president might.

By some strange law of the physics of intellectual life, an intellectual excess in one direction is apt to produce a comparable and opposite excess. So today we hear much from people (today's American vice president, for example) who believe that climate, and much of the rest of the natural world, is highly changeable, even fragile.

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Washington Post Writers Group.

GENERAL NEWS

Major Faces a Tight Vote on Maastricht

LONDON — The British government started 48 hours of bargaining and arm-twisting Tuesday in an attempt to prevent defeat in a vote on the Maastricht treaty.

Neither Prime Minister John Major nor the opposition is confident of victory in the climax Thursday to a year of guerrilla warfare in Parliament over closer ties with Europe. One or two votes could be decisive, parliamentarians said.

Conservatives are working hard to convince potential rebels to toe the party line, and discussing possible deals to attract the support of minority parties in the 651-seat House of Commons.

Ratifying the treaty became further complicated Monday when a British court agreed to review a legal challenge to the government's ratification campaign.

Mr. Major has said he would not ratify the treaty until the court makes its decision on whether the process was flawed. This stance appears to take some of the heat out of the vote.

"It may be said the court case reduces the seriousness of the vote but I think that's just a line the government is trying to spin to get it out of the attention they are in," said the source. Attention is focused on nine Northern Ireland members of Parliament who could overturn Mr. Major's 18-seat majority by voting with Labor, the Liberal Democrats and Conservative rebels.

Mr. Major negotiated an opt-out from the treaty's social chapter, which sets a framework for labor and welfare rights in the European Community. He was forced to stage this separate debate on the chapter as a ploy to avoid defeat in an earlier vote on the treaty.

Britain is the last EC country to complete the ratification process for the treaty. Conservative rebels, ideologically opposed to the social chapter, may vote with the opposition if it believes this will bury the whole treaty.

Mr. Major is trying to convey an atmosphere of calm confidence. He brushes away questions about his future in the event of defeat by saying he is sure the government will win.

There are around 20 hard-core Conservative "Euro-skeptics" but it is not known how many will vote against Mr. Major on Thursday.

France Sets Conditions

France will agree to lift internal border controls only if three conditions are met by eight other EC countries seeking to reach an accord on the free circulation of people, a French government source said on Tuesday, Reuters reported.

The source, close to the office of Prime Minister Edouard Balladur, said France had decided, however, to move a step closer to ratification of the so-called Schengen accord between nine EC countries. It would formally hand over papers required ahead of ratification on July 30.

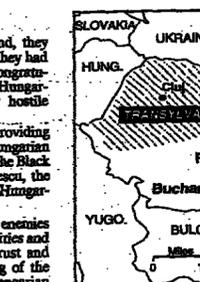
Romania Widens Hungarian Minority Rights

By David Binder, New York Times Service. NEPTUN, Romania — In the end, they were so surprised by the agreement they had reached that they applauded and congratulated each other — Romanians and Hungarians representing two traditionally hostile countries.

The setting for an ethnic accord providing practical improvements for the Hungarian minority in Romania was bizarre — the Black Sea villa of the late Nicolae Ceausescu, the Communist dictator deposed by the Hungarian minority in Romania.

Hungary and Romania have been enemies in war and each has committed atrocities and seized territory. The legacy of mistrust and fear was still evident at the opening of the talks here on the status of the Hungarian minority — 1.6 million people in a population of 23 million — most of them living in Transylvania.

The timing of the accord was also extraordinary. To the west, ethnic war is raging in



Bosnia-Herzegovina. To the east, ethnic wars have broken out in three republics of the former Soviet Union.

The agreement, after three days of talks, calls for tangible improvements this summer: the training of 300 more Hungarian teachers at the Babeş-Bolyai University in Cluj, more elementary school classes in history and geography taught in minority languages and multilingual street signs in areas where a minority represents 30 percent or more of the population.

All these improvements had been demanded by the Hungarians.

Taking part in the Neptun accord were four senior government officials, three representatives of the Hungarian minority and one from the remainder of the once sizable German minority.

The meeting was arranged under the auspices of the two-year-old Project on Ethnic Relations.

The Project on Ethnic Relations is based in Princeton, New Jersey, and supported mainly by the Carnegie Foundation. It seeks to bring about such accords through mediation.

Elmar Klos, Oscar-Winning Czech Director, Dies

PRAGUE — Elmar Klos, 83, a Czech film director who won an Academy Award in 1966 for "Obchod Na Korze" or A Shop on Main Street, died here Monday, the Czech news agency CTX said Tuesday.

Mr. Klos shared the best-foreign-film Oscar with his Slovak co-director, Jan Kadar.

The cause of death was not announced.

In a film career spanning some 65 years, Mr. Klos was a pioneer in the pre-war golden age of Czech film, then became an outcast under communism.

The Communist regime banned Mr. Klos from the film industry in 1972, during the purge of creative talent which followed the Soviet invasion of Czechoslovakia in 1968. Between 1972 and the revolution that overthrew the Communist regime in 1989, Mr. Klos worked for a construction firm.

After 1989, he returned to lecturing at the Prague film academy and writing essays on film.

Eschel Rhoadie, 60, Dies, Tied to Apartheid Scandal

JOHANNESBURG (AP) — Eschel Rhoadie, 60, who was at the

center of a major political scandal here in the 1970s when he headed South Africa's Information Department, died of a heart attack Saturday while playing tennis in Atlanta, where he had run a business in recent years, his brother said here.

When the scandal broke, it contributed to the downfall of Prime Minister John Vorster's government in 1979. The affair concerned the secret spending of millions of dollars in an effort to improve South Africa's media image during the apartheid era. Projects included secret funding of The Citizen newspaper in South Africa and an unsuccessful attempt to buy the now defunct Washington Star newspaper.

Seymour Goldberg, 84, a Polish violinist and conductor, died of heart failure Monday at a hotel in Toyama, northwestern Japan, officials of his Tokyo-based New Japan Philharmonic Orchestra said. He had conducted in Tokyo since 1990 and also was a professor at the Curtis Institute of Music in the United States.

Cardinal Gordon Gray, 82, the first resident cardinal in Scotland since the Reformation, died in Edinburgh on Monday.

VIEWPOINT The Commerzbank report on German business and finance

How important are administered prices for Germany's inflation?

In mid-1991, higher excise duties caused western Germany's consumer prices to go up by more than 4% for the first time since 1983. Last year, inflation averaged 4% and a similar rate is expected for 1993. Stubborn rises in consumer prices are making the Bundesbank hesitant to lower its key lending rates more boldly to pull Germany's economy out of recession. Occasionally, it is argued that the distorting effects of administered prices are partially responsible for the present high rate of inflation.

Administered prices fall into four broad categories (see box). Taken together, the four groups account for no less than 40% of the goods in the consumer price index.

Since the basket of goods and services currently used to compute the index was established in 1985, administered prices have risen by a total of 16%, or 1.9% per annum, compared with an overall increase of 19%, or 2.2% p.a. The two groups of items subject to direct state influence (1 & 2) registered an increase of about 25%, compared with a rise of 6% in the other two categories (3 & 4).

Administered prices provide the state with a powerful tool for influencing demand and output, either by subsidizing goods or by imposing a tax on them. This instrument needs to be used responsibly, though, in line with general policy goals — e.g. to encourage environmental protection, energy conservation and higher standards of health. It should not become a revenue raiser for fiscal purposes, as the state.

In order to make the huge financial burden of German unification more manageable, the government has raised excise duties several times over the past two years and the charges for municipal services have also gone up — dramatically in the case of water and refuse disposal. Consumers have been hit hard by these increases. For one thing, expenses of this type now claim a much greater share of incomes. For another, consumers are largely dependent on public-sector institutions for these goods and services. As most households are unable to find substitutes, they can reduce their outlays only by curbing consumption.

Given the current state of the public finances, the outlook as regards administered prices is not good. While an economic recovery will generate higher tax revenues, the growing importance attached to environmental protection will in itself make many of the relevant services more expensive.

Administered prices provide the state with a powerful tool for influencing demand and output, either by subsidizing goods or by imposing a tax on them. This instrument needs to be used responsibly, though, in line with general policy goals — e.g. to encourage environmental protection, energy conservation and higher standards of health. It should not become a revenue raiser for fiscal purposes, as the state.

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COMMERZBANK German know-how in global finance. Includes a table titled 'Types of administered prices' with four categories: 1. Directly administered (5%), 2. Partially administered (16%), 3. Quasi-administered (9%), and 4. Indirectly administered (10%).

'Marvin's Room' Makes Dying A Way of Life McPherson Play Mixes Tenderness and Farce

By Sheridan Morley
International Herald Tribune

LONDON — "Marvin's Room," which comes to Hampstead for its British premiere after a long life off-Broadway, is a poignant comedy about dying as a way of life. The playwright himself lost a long battle with AIDS last winter, but this is not in any conventional sense an AIDS play; indeed that particular killer never even gets a mention.

Instead, Scott McPherson's people are dying of almost everything else imaginable: the central figure (Alison Szeadman) has leukemia; her aunt (Carmel McSharry) is crippled; the nephew is a psychotic who has set fire to his home and those of several neighbors, and her father, the Marvin of the title, is a one-eyed, one-kidney stroke victim

"Lust" to the Theatre Royal, Haymarket. Adapted from Wycheley's "The Country Wife," it has a pop-rock score and a performance of tremendous central energy and charm from Denis Lawson as Horner, the likely lad who feigns castration in order to ally the suspicions of all the husbands he is intent on cuckolding.

But there the good news ends. Bob Carlton's production never quite manages to bridge the gap between a plot of 1661 and a score of 1993, and the Haymarket is not the best of homes for a makeshift musical that belongs in much more rough-and-ready surroundings. This is a small-scale treat, a rare mix of bedroom farce and Mermaid sing-along, and it only rarely works when Lawson, a comic genius in the best Broadway tradition of the late Roy Bolger, is steering an already manic plot into overdrive.

"Lust" will have a tough time surviving in a summer of big old 1960s blockbusters, but it would have had a better chance at a less plush address. All four Heather brothers and their director Bob Carlton have scored considerable hits with shows like "Slice of Saturday Night" and "Return to the Forbidden Planet," but Restoration comedy is notoriously treacherous territory and the feeling at the last preview was that they hadn't fully taken note of its complex dimensions.

THIRTY years ago, "Pickwick" was a ramshackle Dickensian musical cobbled together by Leslie Bricusse, Cyril Ornadel and Wolf Mankowitz to echo the success of "Oliver!" All it really ever had was one good number ("If I Ruled the World") and a performance of tremendous chubby charm from Harry Secombe in the title role.

Three decades later, Sir Harry has wisely lost a great deal of weight, but with that also some of his stage presence for so gargantuan a role, and it is debatable whether Patrick Garland at Chichester has done us or him any real service by bringing the show back from deserved oblivion. What is certain is that West Sussex audiences enjoy it hugely, and that critics should probably go elsewhere in search of pleasure. That will also mean avoiding Birmingham and Sadler's Wells, where the show is due for the winter.

Best news of the theatrical week is the restoration and reopening of the Savoy Theatre. Three years after a mysterious fire gutted the interior, it had been meticulously put back to its Art Deco 1920s original form at a cost of £12 million (\$18 million), most of which seems to have gone into silver-plated walls and a truly stunning foyer.

LONDON THEATER

with diabetes who utters only grunts from behind a screen. These may not sound the most cheerful of people to spend an evening with, and it is therefore hugely to McPherson's credit that from their distress he has carved a genuinely heartwarming comedy about survival against the odds. These are people who live with death, and for whom dying has become a professional occupation: when they start to do things that ordinary non-dying people do, like organizing a macabre trip to Disneyland, "Marvin's Room" becomes a black comedy worthy of Joe Orton. And yet at other moments it has a tender lyricism, and at still others it becomes a ghoulish medical farce ("There will now be a crunching noise as I remove your bone marrow.")

McPherson obviously had a highly original and quirky comic talent, but in this weird and wondrous account of a family that is as dysfunctional medically as it is emotionally, he managed a superlative study of relative values in free-fall and family values rediscovered in death.

Back in the 1960s, and coming usually out of the Mermaid Theatre under Bernard Miles or Joan Littlewood's Stratford East, there was a thriving tradition of Restoration comedy musicals. Shows like "Lock Up Your Daughters" and "Virtue in Danger" regularly ran a couple of years with scores by the likes of Lionel Bart, and managed on wooden stages with small budgets to bring Congreve and Vanburgh and Wycheley safely into the orchestra pit.

Since then the tradition has almost died, so it would be good to welcome the Heather Brothers'



Julian Curry and Sophie Aldred in a scene from Heather Brothers' "Lust."

Spoletto, a Hardy Survivor Stravinsky Tops Billing at Italian Festival

By Harvey Sachs

SPOLETO, Italy — Thanks to Italy's latest political and economic woes, the survival of Italian performing arts organizations is even more precarious than usual.

Yet the town of Spoleto's three-week Festival of Two Worlds, which ended Sunday, presented a remarkable array of musical and theatrical events to the many thousands who attended it, just as it has every summer since 1958, when it was founded by the composer Gian Carlo Menotti.

The organizers may have faced difficulties in putting the program together, but visitors had only two problems: finding tickets, and not overdoing on operas, ballets, concerts, plays, marionette shows, films and exhibitions.

The event that received the greatest amount of press attention was a new production of Stravinsky's opera "The Rake's Progress," and the elements of the show that aroused the most curiosity were the sets and costumes designed by David Hughes, a well-known British cartoonist. The faded for designer-dictated opera productions ought to be strenuously opposed, but in this case Hughes and Rossini Terleckyj, the stage director, functioned well as a team.

Two rotating walls, which alternately carried painted scenes and constructed sets, were the main scenic feature on the minimalist stage of the 400-seat Teatro Carlo Melisso. Between them, a painted backdrop that scrolled upward provided an abstract, stream-of-consciousness commentary on the proceedings. Exaggerated costumes turned the characters into caricatures, but in this respect Hughes must have taken his cue from the caricature aspect of the Hogarth engravings that prompted Stravinsky to write the work.

"The Rake's Progress" appears to be an 18th-century morality play with a special message: hard work and domestic tranquility are the natural aims of human existence, whereas easy money and pleasure lead to ruin and debauchery. But W. H. Auden and Chester Kallman's witty libretto and Stravinsky's pitch and

subtle score are steeped in irony and emotion; if these qualities are overlooked, the opera falls flat.

In this production, Hughes and Terleckyj looked after the irony and the singers and orchestra provided the emotion. The Carlo Melisso's pit is so small that only 30 members of the Spoleto Festival Orchestra could be used, but the players were all young and energetic, and so was the conductor, Arthur Fagen, who prepared the orchestra competently and put the ensemble together skillfully.

The most interesting singers were the strong and communicative baritone Richard Cowan (Nick Shadow) and the well-trained, musical mezzo-soprano Rebecca Russell (Baba the Turk). Tenor Michael Rees Davis (Tom Rakewell) sounded strained and occasionally off pitch when I heard him during the festival's event-packed final weekend, but I understand that he was much better at earlier performances. Soprano Ann Christine Lawson (Anna Trulove) has a pleasant but small voice.

The whole cast, as well as the 16-member chorus, selected from the Westminster Choir and directed by Donald Nally, sang with commitment and clarity — obvious virtues, but rarely achieved ones.

BESIDES "The Rake's Progress," I managed to take in an authentic, 19th-century marionette show, an entertaining although pedantically incorrect version of Christopher Columbus's story by the Carlo Colla & Sons Company of Milan, accompanied by a live instrumental ensemble; and two outstanding concerts, organized by violist Scott Nickrenz, with the participation of flutist Paola Robinson, harpsichordist John Gibbons, the Borromeo Quartet and others in works by Telemann, Hindemith, Stravinsky, Chopin, Chaminade and Tchaikovsky.

For the final, open-air concert in the great Cathedral Square, there was a performance of Berlioz's Requiem Mass by more than 300 instrumentalists and choicists under the direction of Steven Mercurio. The massive applause at the end, in the deepening Umbrian twilight, was not only for the fine performance but also for the 82-year-old Mercurio and his entire festival.

Harvey Sachs is a writer based in Italy.

For Ungaro, Luxury Is Simplicity

By Suzy Menkes
International Herald Tribune

PARIS — Emanuel Ungaro caught the change of fashion on a butterfly wing. He sent out an exceptional collection that not only introduced a fluttering lightness of fabric and spirit, but also a simpler way of showing haute couture.

Chanel was the usual razzmatazz: Richard Gere blowing kisses to his model wife Cindy Crawford and Prince Albert of Monaco chewing gum and failing to look at his so-called fiancée Claudia Schiffer. Lagerfeld came up with a familiar formula that's due for a change: one gimmick (micro mini-

famous skinny sleeves were flared and came in quilted leather as a witty take on the Chanel purse. Gilt was dulled in a modern spirit to old gold.

A fine passage of lingerie-inspired evening dresses (even if we have seen them before) brought layers as light as party hose. But the rest of the evening clothes? Anything you ever needed if you were invited to the boudoir of Ludwig of Bavaria (tweed bra and knitted long skirt) or hefty old-gold embroideries on velvet that looked like opera in a provincial German town.

Haute couture as bread and circuses can go no further. The clients will pick the plums. In publicity terms it will be the usual smash.

Ungaro decided to bring couture down to earth, by dispensing with the runway and by showing in a former convent in the oldtown Marais district. Against a background of trees stenciled on a white ground, he set up a café table and chairs and a bunch of models.

The skirts grazing the derriere were just what every couture customer needs: a bring-back-the-80s look that made even the thighs of supermodel Christie Turlington seem chubby. The alternative was a weird asymmetrically draped skirt or weilder-still soft pants with plenty of room for dispers.

Behind all the increasingly desperate gimmicks (Turlington held up her hands to hide nipples covered in flesh chiffon) were, of course, lovely clothes and divine workmanship. Lean jackets were shaped with technical brilliance by undulating seams or a knitted panel was inserted like a curvy corset. The

fringed embroidery quivering at the hem, Ungaro received a well-deserved ovation.

The silhouette was long, lean, sinuous, but never sloppy. It was based on overlapping layers of soft, liquid or floppy fabrics — wool and chenille for day, chiffon and shimmering velvet at night. A skinny calf-length coat, a hip-line tunic or a cartigan world of drape over long light skirts or floppy pants. Occasionally the workmanship was a trifle fancy, mostly it was of a rare delicacy and included velvets cut out in super-fine embossing. Arabian night headresses (a mistake) and the subtle oriental colors, from old gold and saffron through eggplant, suggested Paul Poiret's orientalist robes from the Belle Epoque period, brought up-to-date with a light touch.

"No, it was just a story that I wanted to tell," said Ungaro as he received hugs from models backstage.

He told it beautifully. Between the craftsman and the showman, Hubert de Givenchy is the former, rarer kind. His show Tuesday, if a bit dull for day with its tailored suits and day dresses, was pretty at night. Givenchy drapes a satin dress on the bias like bath oil running down the body and cuts in a mastery way the jumpsuits and pants that replaced skirts for the cocktail hour.

Necklines were the focus. On lean dresses, a cowl neck licked the collarbones in licorice black satin; and full-blown roses (each is individually made) caressed the bosoms as rambling roses are trained round a cottage door. A bouquet to Givenchy.



Ungaro's layered look with floating chiffon pants.

BOOKS

AFGHAN TALES: Stories From Russia's Vietnam
By Oleg Yermakov. Translated from the Russian by Marc Romano. 205 pages. \$20. William Morrow.

Reviewed by Richard Lourie

GLASNOST gave Russians freedom of speech but had a deleterious effect on literature. Poets and novelists were at their wits' end trying to keep up — reading seven newspapers a day left them exhausted and unable to write a line of their own.

And Russian literature had other enemies. The language had been debased by the Communists. The Russian birthrate was falling, and the former republics were emphasizing their own languages. Television, after decades of Bulgarian folk dances, harvest reports and state funerals, was suddenly fascinating. There was good reason to assume that the line that led from Pushkin to Solzhenitsyn was dying out. Enter Oleg Yermakov, now 33, and heir to the best traditions of Russian literature.

The 10 stories that make up this book (definitely translated by Marc Romano) began to circulate in 1981 when Yermakov was 22 and had just completed two years' service in Afghanistan. All of the stories are strong, and at least one is a masterpiece. Yermakov writes quite well of combat — fear, boredom, comradeship, the exact sensations that constitute a moment, the bitter disillusionment that came to the young Russians who believed Afghanistan was a second Spanish Civil War.

All wars are the same and all wars are different. Yermakov depicts both aspects, the twists of fate that occur when men are intent on killing each other and the particular of the last Soviet incursion — the barren beauty of Afghanistan, both alien and alluring, and the dread, strictly enforced system of seniority that allowed older recruits to exploit and humiliate the new men. Sooner or later they can all say what the narrator of one story, "The Belles," says: "We learned to smoke hash, to look doomed prisoners calmly in the eye, to not think of the future, to write dispassionate letters home."

But "Afghan Tales" is not con-

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and while instructing the children, in atheism prays that God send her man back home safe. "God! If you grant me my wish I promise never again to tell the schoolchildren you don't exist."

"The Yellow Mountain" has its faults, but its strengths outweigh them. It's the story of an Afghan veteran, crippled in more ways than one. The hero, now a disgruntled hack on a Soviet newspaper, tries to keep his own spirit alive by

writing short stories that tell the truth about the war, but is constantly told that it's premature, too soon.

Yermakov's stories are hardly premature. They are young and fresh and mark a new beginning.

Richard Lourie, the author of a recently published true account of a Russian serial killer, "Hunting the Devil," wrote this for The Washington Post.

Louis Féraud PARIS



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		Greece	008-001-413	Korea	530-PHONE
				Karait	800-777
				Lebanon	155-9777
				Luxembourg	0080-0115
				Macao	0800-121
				Malaysia	800-0016
				Mexico (Mexico City)	95-900-877-8000
				Mexico (Other Cities)	95-900-877-8000
				Morocco	19-0087
				Netherlands	06-822-9129
				New Zealand	000-999
				Nicaragua	02-161
				Nicaragua (Managua)	161
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سلا من الاصل



THE TRIB INDEX: 102.87

International Herald Tribune World Stock Index of 220 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. weighting	Close	120.51 Piv.	120.50
Asia/Pacific	25%	100	100	100
Europe	40%	100	100	100
N. America	35%	100	100	100

Industrial Sectors	Close	120.51 Piv.	120.50
Energy	98.92	100.07	-0.15
Utilities	108.78	108.58	+0.18
Finance	112.82	113.14	-0.32
Services	112.21	112.03	+0.16

U.S. Bank Earnings Strong

By Lawrence Malkin

NEW YORK — Five of the biggest American banking companies reported strong quarterly results Tuesday, reflecting fewer problem loans, stronger capital levels and higher fee income.

The results from Citicorp, Chemical Banking Corp., NationsBank, Banc One Corp. and Wells Fargo & Co. extended a healthy rebound by the banking industry.

Citicorp's second-quarter earnings, up 212 percent from the second-quarter 1992 levels, were aided by heavy trading revenues and improved loan quality.

Francis X. Suozzo, bank analyst at S.G. Warburg & Co., said Citicorp's results were so good the bank could restore its dividend in early 1994. The bank suspended it two years ago.

NationsBank and Banc One said their loan business surged, while Chemical showed a 75 percent gain in trading revenues.

Earnings at the biggest U.S. bank, Citicorp, were \$446 million, up from \$143 million during the April-June period in 1992.

For the first six months, earnings were \$1.12 billion after a special gain from an accounting change for income taxes. Before the accounting change, first-half earnings were \$816 million compared with \$326 million a year earlier.

At NationsBank, second-quarter net income was \$306 million, up 22 percent from \$251 million a year earlier.

At Banc One, second-quarter net income was \$282 million, up from \$243 million a year earlier.

The Wells Fargo earnings were \$149 million for the second quarter, compared with \$82 million a year earlier.

Many banking analysts have scrutinized credit-quality trends at Wells Fargo because of the sagging California economy and the bank's large concentration in real estate loans. The loan-loss provision totaled \$140 million at June 30, down from \$300 million a year ago and \$210 million in 1993's first quarter.

Chemical Banking's second-quarter net income was \$381 million, up 59 percent from \$240 million a year earlier.

Greenspan Signals Shift Federal Reserve to Focus on Inflation

By Lawrence Malkin

NEW YORK — Chairman Alan Greenspan of the Federal Reserve Board on Tuesday signaled a shift by the central bank toward controlling inflation by indicating it was ready to raise short-term interest rates as the U.S. economy continues its moderate expansion.

Explaining its tilt toward a more restrained monetary policy adopted by the central bank in May, Mr. Greenspan told Congress in his regular semiannual report even though the price bubble of this spring had burst, "on balance, the news on inflation this year must be characterized as disappointing."

The Fed, he warned, was worried about inflation expectations and said that unless they were contained, fears of rising prices "could raise long-term interest rates and stall economic expansion."

Mr. Greenspan's comments gave an immediate boost to the dollar, but the effects did not last long. The Deutsche mark drew the most attention in the markets as investors fled other European currencies. The stock market was unmoved by the outlook for increased short-term rates, usually a negative development for equities, but bond prices weakened, raising long-term yields.

Low mortgage and commercial loan rates represent the only major stimulus now operating on the U.S. economy as President Bill Clinton tries to get a deficit-reduction plan through Congress. Congressional Democrats who had been expected to try to wrest pledges of lower rates from Mr. Greenspan, were surprisingly mild in their questioning.

The central bank's stance was not new but "the clear explanation in un-Fed-speak was," said David Murre of High Frequency Economics, an assistant to Mr. Greenspan when he served as chief White House economist.

Bundesbank Official Sees Little Easing

By Lawrence Malkin

MUNICH — Lothar Müller, a Bundesbank council member, said Tuesday that European hopes for significant interest-rate cuts by Germany were misplaced.

Mr. Müller, who is president of the state central bank of Bavaria, said, "We hardly have any room for rate cuts right now." Since monetary expansion and inflation remained "too high," the Bundesbank had "no choice but cautiously to steer close to the market with the oft-cited tiny steps."

In recent months, Bundesbank officials have said they would pursue a policy of gradually easing interest rates without allowing a resurgence of inflationary pressures. One of the Bundesbank's prerequisites for rate reductions is that the German government's deficit be brought under control.

"Our present situation certainly rules out any too-daring maneuvers," Mr. Müller stressed. "I think that our room to cut interest rates isn't as big as many expect it to be."

Paris Hails Rise In Output Data, Analysts Wary

By Lawrence Malkin

PARIS — French industrial output rose 0.2 percent in May from April but was still 3.4 percent below the level of a year earlier, the national statistical institute, INSEE, reported Tuesday.

The rise, which matched or slightly exceeded economists' forecasts, followed three months of decline in the index.

The Finance Ministry said the rise — and the fact that the 12-month decline had stood at 3.2 percent in the April figures — indicated France was emerging from its recession. But an economist at the institute and several private analysts said it was too early to draw that conclusion.

The Finance Ministry, citing the rise in output and a jump in sales last month at large supermarkets, declared: "After sliding at the end of last year and at the beginning of this year, industrial activity has now been stabilizing for three months. This result is encouraging."

But an economist at INSEE said the rise in production was too small to be a signal that the economy was turning the corner. A recent survey by the Bank of France showed that while production was stabilizing, business leaders did not expect any recovery in the near future.

"It seems we hit bottom," said Patrick Mange, a senior economist in Paris for Deutsche Bank. "But there's no way we can talk about a pickup in the economy."

France's industrial production has been slowed in large part by a slump in consumer spending, and the May data did not indicate any improvement on that front. Although the manufacturing index was up 0.3 percent for the month, the food-sector index fell from 115.4 in April to 111.8 in May, its lowest since June 1991.

"So far, the food sector had held comparatively better," said Gerard Fontaine, an economist at Caisse Nationale du Crédit Agricole. "It shows how badly hit the consumer is." Consumer spending fell 5.07 percent in May, leaving it down 3.9 percent from a year earlier.

With the unemployment rate at 11.5 percent in May and forecast to rise to 12.5 percent by year-end, there is little chance of a consumer-led recovery, analysts said.

Exports, long the French economy's main engine of growth, also have weakened because of recession or slumping demand in France's leading trading partners, especially Germany.

"One can't see where the recovery will come from," said Reza Lehidji of Banque Indosuez in Paris. "Companies have been taking advantage of rising unemployment to squeeze wages, meaning households' purchasing power is hardly increasing."

Some analysts said there could be room for a rise in capital spending toward the end of the year, however, as French companies benefit from government measures such as reductions in some taxes and social-security charges as well as from sharp cuts in French interest rates.

INSEE said the overall industrial production index was 109.5 in May, up from 109.3 in April and down from 113.4 in May 1992. It said the rise in the month came mainly in the energy sector. The figures are seasonally adjusted and do not include the building and public-works sectors.

MEDIA MARKETS

Author Finds '80s Culprits At The Wall Street Journal

By Howard Kurtz

WASHINGTON — It doesn't take long to figure out who the villains are in Francis X. Dealy Jr.'s book on The Wall Street Journal. Norman Pearlstine, the former executive editor, is portrayed as a social-climbing dealmaker so tight with Wall Street's power brokers that he waded down the paper's coverage of the financial scandals of the '80s.

Karen Elliott House, a Journal vice president, is depicted as a ruthless dragon lady. She is married to the paper's publisher, Peter Mann, a relationship that Mr. Dealy describes as "the most conspicuous and destructive case of nepotism" in corporate America.

In "The Power and the Money," Mr. Dealy has picked a prestigious target: The Wall Street Journal, which, with a circulation of nearly 2 million, is the premier U.S. financial newspaper.

It is true, as Mr. Dealy charges, that the Journal missed the savings-and-loan scandal (as did the rest of the establishment press), played down the 1987 stock-market collapse and failed to uncover Michael Milken's junk-bond crimes.

But he goes a giant step further by blaming these shortcomings on Mr. Pearlstine's friendships with prominent business people such as Donald Trump (who once ferried Mr. Pearlstine in his helicopter to a high-profile boxing match in Atlantic City, New Jersey), Ronald Perleman (the Revlon chief who employed Mr. Pearlstine's wife, the author Nancy Friday, as a consultant), Eli Jacobs (the beleaguered owner of the Baltimore Orioles baseball team) and Linda Robinson (a powerful publicist and the wife of former American Express Chairman James Robinson).

The basic charge is served up in a quote in the book attributed to a New York public-relations man, Davis Weinstein: "It is absolutely true that anyone of public note in the business world can call Norman Pearlstine, either through intermediaries or direct, have dinner with him, and, as a result, get a Journal story about them either killed, postponed or ameliorated."

But the book has serious credibility problems, according to several people who were interviewed in its preparation. They say it is filled with meetings that were never held, a romance that did not take place and sources whose confidences were betrayed.

"He draws his conclusions on the basis of fabrication and bad information," Mr. Pearlstine said in an interview. "I think he's a

CURRENCY & INTEREST RATES

Cross Rates	July 19
Australian	1.32
British	1.58
Canadian	1.25
French	1.66
German	1.36
Italian	1.36
Japanese	163.50
Swiss	1.48
U.S. Dollar	1.00

Other Dollar Values	July 19
Canada	1.25
France	1.66
Germany	1.36
Italy	1.36
Japan	163.50
Switzerland	1.48

Forward Rates	30-day	60-day	90-day	180-day	360-day
Canada	1.25	1.25	1.25	1.25	1.25
France	1.66	1.66	1.66	1.66	1.66
Germany	1.36	1.36	1.36	1.36	1.36
Italy	1.36	1.36	1.36	1.36	1.36
Japan	163.50	163.50	163.50	163.50	163.50
Switzerland	1.48	1.48	1.48	1.48	1.48

Riot Police Face Hyundai Strikers

By Lawrence Malkin

SEOUL — The South Korean government began deploying thousands of police on Tuesday to end a labor dispute at Hyundai Motor Co. as unionists at the country's largest automaker threatened an illegal strike in retaliation.

Representatives of the 40,000 workers at the Hyundai Motor plant in the southeastern city of Ulsan said union members would launch a full strike on Wednesday if talks failed to produce a breakthrough.

Union leaders at Hyundai Heavy Industries Ltd., the largest Korean shipyard, said they would launch a sympathy strike if police entered the Hyundai Motor factory.

The disputes in Ulsan are the longest so far under President Kim Young-Sam's civilian government, which has promised free union activity as part of his reform drive.

"If labor and management do not come to terms, the union will strike Wednesday," said a labor leader. "We are ready for police intervention," said the official, who asked not to be identified.

The Labor Ministry invoked emergency powers Tuesday, ordering workers to resume normal production or face punishment.

The order was based on a provision of a 1963 law, which has never been used, that calls for a compulsory 20-day cooling-off period in a situation the government deems to be an emergency.

To stop possible violence during the period, the government said 30,000 riot-police officers would be deployed. The Labor Ministry said it would try to avoid using police and wait for a peaceful settlement.

Previous military-backed regimes followed a tough labor policy, often triggering violent clashes between riot police and workers.

Under the 1963 law, negotiations are to continue for 10 days.

Labor Minister Lee In Jae said prolonged disputes in Ulsan were hurting the South Korean economy, which is showing signs of recovery from a three-year recession.

Korea's once-robust economy grew only 2.7 percent in the final quarter of last year and 3.3 percent in the first quarter of this year, the lowest growth rate in 10 years.

Hyundai's auto workers are demanding a 16.5 percent pay raise plus a greater say in management and hiring policy. Their average monthly pay now is \$1,500.

Management maintains that it cannot give more than 4.7 percent, a limit set by the government to fight inflation. It instead has offered more housing and other allowances if production increases.

Before Tuesday, more than 50,000 workers had been on and off their jobs at nine Hyundai companies, including the nation's No. 1 auto plant and the world's largest shipyard in Ulsan. (AP, AFP)

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MARKET DIARY

Growth Forecast Lifts Stock Prices

Bloomberg Business News NEW YORK—Prices advanced for the second session in a row Tuesday on the New York Stock Exchange after the chairman of the Federal Reserve Board, Alan Greenspan, said second-quarter U.S. economic growth would top forecasts.

N.Y. Stocks

3,544.78, below a session high of 3,548.97, while Standard & Poor's 500 Index rose 1.28 to 447.31, led by drug, auto and retail stocks.

Mr. Greenspan told a House Banking subcommittee that the economy grew "somewhere around about 3 percent" in the latest quarter, exceeding economists' expectations of 2.3 percent growth.

But the Fed chairman also implied that inflation remained a threat, and indicated that any increase in interest rates was more likely to be up than down, meaning "there is enough uncertainty around to keep a lid on how high the market can go," Mr. Solloway said.

FED: Greenspan Signals a Shift

Continued from Page 9 close on Monday, and the U.S. currency slid to 108.200 yen from 108.475.

Dealers said there was disappointment that Mr. Greenspan's comments did not provoke a strong rise in the dollar, and follow-through buying evaporated.

David Gilmore, market analyst at MCM CurrencyWatch, said that after a "hawkish" speech by Mr. Greenspan, the market resumed its

focus on U.S. economic fundamentals, which "are not too great."

Some currency analysts said Mr. Greenspan's comments were taken as a promise of immediate interest-rate increases.

Marc Chandler, an analyst at IDEA, said, "The dollar is still being driven by events outside the United States." He said uncertainty about the Bundesbank's interest-rate intentions was making traders wary.

At the close of the New York session, the dollar was quoted at 1.4969 Swiss francs, down from 1.5010 at the Monday close, and at 5.8060 French francs, down from 5.8300.

Declining stocks outpaced advances on the New York Stock Exchange. Trading was active, with about 275 million shares changing hands.

Drug and technology stocks helped lead prices higher. "Those two groups particularly had been oversold and started taking leadership today," said Michael Lockwood, head of U.S. trading at S.G. Warburg.

Drug stocks rose in the wake of second-quarter earnings from Merck & Co. and an upgraded investment opinion from Wertheim Schroder & Co.

Merck increased 1 1/2 to 3 1/2 percent after it said earnings rose 8 percent before a \$775 million restructuring charge. Bristol-Myers Squibb Co. was up 1 1/4 to 5 1/2 percent, Eli Lilly & Co. rose 1 1/4 to 4 1/2 percent and Schering-Plough climbed 1 1/4 to 6 1/2 percent.

Technology stocks were mostly higher after second-quarter losses at Apple Computer Inc. had dragged prices lower in the past few sessions. Hewlett Packard Co. was up 2 1/4 to 76 1/4 percent, Compaq Computer Corp. was up 1 1/4 to 45 1/4 percent and Microsoft Co. rose 1 1/4 to 80 1/4 percent.

International Business Machines Corp. was down 1/4 to 43 1/4 percent after sliding to a record low 4 1/4 percent amid concern over second-quarter earnings, expected to be released in the next week.

The pound rose to \$1.5105 from \$1.4988.

In earlier trading in London, the dollar benefited from Mr. Greenspan's comments, but overall sentiment was cautious. "There is nothing in the United States to force the dollar higher," said Richard Urwin, currency analyst at S.G. Warburg in London. He cited recently weak U.S. economic data.

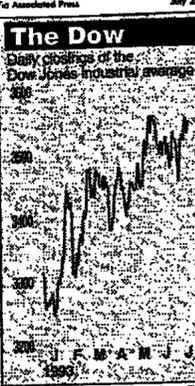
The dollar ended European trading at 1.7115 DM, up from 1.7071 on Monday, and it rose to 108.650 yen from 108.450.

Attention was focused on the French franc, which has been under pressure in recent days. The mark rose to 3.4153 francs from 3.4088 on Monday.

An analyst at First National Bank of Boston, Peter Wood, said the market thought that France might be forced to devalue the franc because the French economy was not in a position to sustain high interest rates. "As the weekend approaches, people are going to become nervous again about the franc," he said.

The other soft spot in the exchange-rate mechanism of the European Monetary System, the Danone krone, showed more resilience, thanks to rising short-term interest rates. The mark slipped to 3.8590 kroner, from 3.8625.

(AFX, Bloomberg, Reuters, Knight-Ridder)



NYSE Most Actives

Table with columns: Ticker, Vol., High, Low, Last, Chg. Includes IBM, Microsoft, and other major stocks.

NYSE Most Active

Table with columns: Ticker, Vol., High, Low, Last, Chg. Includes IBM, Microsoft, and other major stocks.

NYSE Diary

Table with columns: Ticker, Vol., High, Low, Last, Chg. Includes IBM, Microsoft, and other major stocks.

Amex Diary

Table with columns: Ticker, Vol., High, Low, Last, Chg. Includes IBM, Microsoft, and other major stocks.

MASDAQ Diary

Table with columns: Ticker, Vol., High, Low, Last, Chg. Includes IBM, Microsoft, and other major stocks.

Dow Jones Averages

Table with columns: Index, Open, High, Low, Last, Chg. Includes Dow Jones Industrial Average, S&P 500, etc.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Close, Chg. Includes S&P 500, S&P 400, etc.

NYSE Indexes

Table with columns: Index, High, Low, Close, Chg. Includes NYSE Composite, NYSE Industrials, etc.

NASDAQ Indexes

Table with columns: Index, High, Low, Close, Chg. Includes NASDAQ Composite, NASDAQ Industrials, etc.

AMEX Stock Index

Table with columns: Index, High, Low, Close, Chg. Includes AMEX Composite, AMEX Industrials, etc.

Dow Jones Bond Averages

Table with columns: Bond, Yield, Price, Change. Includes 30 Bonds, 10 Utilities, etc.

Market Sales

Table with columns: Index, Volume, Value. Includes NYSE, NASDAQ, AMEX.

N.Y.S.E. Odd-Lot Trading

Table with columns: Date, Buy, Sell, Short. Includes July 19, 20, 21.

S&P 100 Index Options

Table with columns: Strike, Call, Put, Price, Change. Includes July 19, 20, 21.

Amex Diary

Table with columns: Ticker, Vol., High, Low, Last, Chg. Includes IBM, Microsoft, etc.

MASDAQ Diary

Table with columns: Ticker, Vol., High, Low, Last, Chg. Includes IBM, Microsoft, etc.

EUROPEAN FUTURES

Table with columns: Commodity, High, Low, Close, Change. Includes Wheat, Corn, Soybean.

Food

Table with columns: Commodity, High, Low, Close, Change. Includes Sugar, Coffee, Cocoa.

Metals

Table with columns: Commodity, High, Low, Close, Change. Includes Aluminum, Copper, Zinc.

Financial

Table with columns: Commodity, High, Low, Close, Change. Includes Treasury Bonds, Eurodollar.

Stock Indexes

Table with columns: Index, High, Low, Close, Change. Includes FTSE 100, Nikkei 225, etc.

Spot Commodities

Table with columns: Commodity, Today, Prev. Includes Wheat, Corn, Soybean.

Dividends

Table with columns: Company, Dividend, Ex-Dividend Date. Includes IBM, Microsoft, etc.

U.S. FUTURES

Table with columns: Commodity, High, Low, Close, Change. Includes Wheat, Corn, Soybean.

Grains

Table with columns: Commodity, High, Low, Close, Change. Includes Wheat, Corn, Soybean.

Metals

Table with columns: Commodity, High, Low, Close, Change. Includes Aluminum, Copper, Zinc.

Livestock

Table with columns: Commodity, High, Low, Close, Change. Includes Cattle, Hogs, Poultry.

Financial

Table with columns: Commodity, High, Low, Close, Change. Includes Treasury Bonds, Eurodollar.

Stock Indexes

Table with columns: Index, High, Low, Close, Change. Includes FTSE 100, Nikkei 225, etc.

Commodity Indexes

Table with columns: Index, High, Low, Close, Change. Includes Wheat, Corn, Soybean.

Foreign Sales Hit Swiss Stocks

ZURICH — Swiss stocks fell sharply Tuesday as foreign sell orders drove the market below support levels, traders said.

A trader at ABN-AMRO Bank in Zurich said the market was "taking three or four corrections" at the same time, but he said there was "absolutely no reason" for the decline other than technical factors.

The Swiss market, one of Europe's strongest markets in recent months, has lost about 4 percent of its value since Thursday in a wave of profit-taking. Traders said the decline continued Tuesday as international investors sought to cash in their gains.

Nestle SA fell more than 2 percent, or 25 Swiss francs, to close at 1,050 francs (\$699.53). Bearer shares of the bank UBS lost 42 to 1,127.

WORLD STOCK MARKETS

Agencies: France Press, July 20

Large table of world stock market data including Amsterdam, Brussels, Frankfurt, London, Milan, Sao Paulo, Singapore, Stockholm, Zurich, and various regional indices.

Foreign Sales Hit Swiss Stocks

Table of foreign stock market data including Tokyo, Sydney, Paris, and other international markets.

U.S. FUTURES

Table of U.S. futures market data including Grains, Metals, Livestock, and Financial.

U.S. / AT THE CLOSE

Philip Morris Net Fell 22% in Quarter

NEW YORK (Bloomberg) — Philip Morris Cos. said Tuesday that second-quarter earnings fell 22 percent and announced that it would cut list prices of all its premium cigarettes.

The food, beer and tobacco giant said earnings fell to \$1.1 billion, from \$1.4 billion a year ago.

Philip Morris said the lower prices set to end next month on its best-selling Marlboro cigarettes would continue indefinitely and would be extended to other premium brands like Parliament and Virginia Slims.

Merck Earnings Show Drop of 73%

WHITEHOUSE STATION, New Jersey (AP) — Merck & Co. said Tuesday its second-quarter earnings had dipped 73 percent to \$172.6 million from a year ago, including a \$775 million restructuring charge to streamline operations.

The pharmaceutical company's earnings compared with \$643.7 million during the second quarter of 1992.

Excluding the charge, earnings increased 6 percent to \$693.6 million.

Bigfoot Kicks PepsiCo Profits Up

PURCHASE, New York (UPI) — PepsiCo, citing the success of its new Bigfoot pizza, reported Tuesday that its second-quarter net income had risen 13 percent to \$426.8 million, from \$378.8 million during the same period a year earlier.

PepsiCo said the recent product-tampering hoax had occurred after the close of the second quarter and within two weeks sales growth was back on track.

Sales jumped 15 percent to \$5.9 billion, from \$5.1 billion in 1992.

Sears Earnings Triple on Allstate

CHICAGO (AP) — Sears, Roebuck & Co. reported Tuesday that its second-quarter profit had more than tripled to \$1.01 billion, on improvement in its retail business as well as the sale of stock in its Allstate insurance subsidiary.

Sears earnings compared with \$325.5 million for the same period last year.

Monsanto Earnings Increase 90%

ST. LOUIS (Bloomberg) — Monsanto Co. said Tuesday its earnings had increased 90 percent in the second quarter as sales rose 9 percent and expenses declined.

Net income at the chemicals and drug company rose to \$200 million, from \$105 million in the same quarter a year ago.

For the Record

Eddie Antar was convicted Tuesday of conspiring to deceive investors in his Crazy Eddie Inc. retail electronics chain and making \$75 million by selling his stock at an inflated price. He faces a long prison term that could theoretically stretch to over a century.

Capital Cities/ABC Inc. said advertising weakness contributed to a second-quarter decline in operating profit at the ABC Television Network.

Honeywell Inc. said second-quarter profit from operations fell 4.8 percent because of difficult market conditions.

U.S. FUTURES

Table of U.S. futures market data including Grains, Metals, Livestock, and Financial.

Large vertical advertisement on the right side of the page, featuring the word 'Fever' at the top and 'RESULTS' at the bottom. The text is partially obscured and difficult to read.

OECD View On Jobs Is Grim

PARIS — More than 50 million people, a figure that would equal the population of Britain, Thailand or Turkey, could be affected by measured or disguised unemployment in Western industrial nations and Japan by next year, an OECD study indicated on Tuesday.

The Organization for Economic Cooperation and Development said the real extent of labor-market slack linked to a three-year economic slowdown in the West was not fully captured by measured unemployment, projected to reach 36 million in the OECD area by early next year.

Highlighting the need for government policies to come to grips with worsening employment trends, a key issue at the Tokyo summit of the Group of Seven industrial nations earlier this month, the OECD said jobless rates tended to underestimate the true gravity of the situation.

Most OECD countries, the annual report on employment outlook said, were also faced with substantial disguised unemployment, represented by discouraged workers and people involuntarily employed in part-time jobs. The report said that in 1991 these two categories, in which women predominated, represented more than 13 million people.

Fayeds to Spin Off Stores Family Will Keep Control of Harrods

LONDON — The Egyptian Fayed brothers, who won control of the British conglomerate House of Fraser in 1985, said Tuesday that they would float the group's department stores — excluding the famous Harrods flagship — to wipe out debt.

House of Fraser Holdings PLC said its 59 provincial stores, which trade under names including Debenhams, D.H. Evans and Rackham, would be floated next year. Apart from Harrods, that will leave the Fayeds with Turnbull & Asser, the shirtmaker to the Prince of Wales, a property investment subsidiary and a shoe manufacturer.

The Fayeds will retain no stake in the stores. "The current trading performance of the House of Fraser stores is extremely encouraging but we believe the full potential of the company will be realized most swiftly and most effectively if it returns to its former status of an independent, publicly held company," Mr. Fayed said in a statement.

The 59 stores have annual sales of around £700 million (\$1.05 billion) and will report an operating profit before tax and interest of £37 million for the financial year ended Jan. 31, a senior executive said. The Fayed spokesman said the stores accounted for around two-thirds of total group revenue, but Harrods was a bigger money spinner, turning in between a third and a half of profits.

Commission Pays In Political Coin For EC Aid Deal

BRUSSELS — The European Community agreed Tuesday to an arrangement for paying 141 billion European Currency Units (\$160.49 billion) of funds to its poor regions, but the EC Commission had to give up some control over the money as part of the accord.

EC foreign ministers were supposed to do no more than approve general rules governing the funds at a meeting on Monday, leaving the Commission to share out the cash based on strict economic criteria. But in a series of late-night, closed-door sessions, the commission was forced to abandon its principles and haggle with member states over who would get what out of the six-year funding package.

Overall EC unemployment has risen above 10 percent, although the poorest regions have jobless rates of more than 20 percent. Ireland had stood alone in blocking a deal the other 11 member states agreed to earlier this month. But that agreement unraveled during negotiations Monday when other nations joined in threatening to veto the fund regulations.

The other "poor four" nations had objected to Ireland's claims. Some said the Irish already got more than their fair share. From 1989 to 1993, Ireland was allotted 1,049 Ecu for each citizen from EC funds. Portugal received 695 Ecu; Greece, 667 Ecu; and Spain, 422 Ecu.

Investor's Europe table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various regional indices like Amsterdam, Brussels, Frankfurt, Helsinki, and others.

Optimism at Cable & Wireless

LONDON — Cable & Wireless PLC said Tuesday that it had made an "encouraging" start to the current financial year and forecast growth in its Hong Kong and British businesses.

In the year ended March 31, Cable & Wireless' operating profit at its businesses in Southeast Asia and the Pacific region rose 16 percent to £563 million, accounting for about 70 percent of the group's total operating profit before exceptional items.

West German GDP Seen Falling Through 1993

ESSEN, Germany — West German gross domestic product will fall by 2 percent in 1993, then rise by 1 percent in 1994 following growth in production toward the end of the 1993, the Rhineland-Westphalian institute for economic research said Tuesday.

In June, German automakers manufactured 343,900 vehicles, up from 328,612 in May, but down from 461,548 a year ago. Retail sales in Western Germany are expected to show no nominal growth in 1993, after rising 0.8 percent a year earlier, according to the president of the retail association, Walter Deuss.

Very briefly:

- Britain's broad M4 money supply fell by a provisional seasonally adjusted 0.2 percent in June from May and climbed 3.3 percent from a year earlier.
The EC Commission said it had told the U.S. film producers Paramount Communications Inc. MCA Inc. and Metro-Goldwyn-Mayer...

Oil Slips on Worries of OPEC Inaction

LONDON — Oil prices retreated Tuesday, after Monday's surge following news of an emergency OPEC meeting, as traders said it was unlikely that the group would act in concert to reduce output in the face of renewed Iraqi exports.

At a late trade, September Brent futures on the International Petroleum Exchange were 39 cents lower at \$16.66 per barrel, after gaining 74 cents Monday. The comparable sweet crude contract for September delivery on the New York Mercantile Exchange was trading 10 cents lower at \$17.85 per barrel, while the August contract, which was to expire Tuesday, had shed 35 cents to \$17.35 a barrel.

The president of OPEC, Jean Ping of Gabon, plans to fly to Saudi Arabia on Wednesday for talks that the oil industry hopes will yield an initiative to prop sagging petroleum prices. Oil Minister Hacene Mefti of Algeria said in an interview in the Algerian newspaper El-Watan that the goals were to prepare for Iraq's "organized return" to the market and, if possible, to reconsider integrating Kuwait in a new OPEC output accord.

COMPANY RESULTS

Table of company results for various firms including McDonald's, American Electric Power, and others, with columns for revenue, profit, and share price.

TOP FUNDS

Table of top funds including North Star, with columns for fund name, assets, and performance.

Sabena Accord Averts a Strike

BRUSSELS — Sabena Belgian World Airlines and union representatives said Tuesday they had agreed in principle to save 900 million Belgian francs (\$25.4 million) in costs while limiting wage cuts proposed by the carrier.

Advertisement for London for Less, offering air-conditioned rooms with private bath for £49.50 per night at 22-32 West Cromwell Road, London SW5 9QJ.

Advertisement for Babcock & Brown Leasing Services, Inc., offering services in structuring and arranging domestic and cross-border leases of U.S.-manufactured aircraft and other equipment for use outside the United States.

Large advertisement for the Republic of Lebanon Ministry of Hydraulic and Electrical Resources, Council for Development and Reconstruction, announcing a pre-qualification for two combined cycle power generating plants.

Advertisement for Forbes magazine, highlighting it as 'AMERICA'S NO. 1 BUSINESS MAGAZINE' and 'FORBES CAPITALIST TOOL'.

GM: Court Adds Clout to Carmaker's Claim That VW Official Stole Secrets

Continued from Page 1

ing attorney investigating GM's criminal charges against VW, said the evidence admitted in Hamburg would also be scrutinized in Darmstadt, where the criminal investigation continues. He said that evidence gathered so far, including the four boxes of GM documents, "supports the arguments of Opel and GM."

VW shares fell 2 percent, to 351 Deutsche marks (\$205) on the Frankfurt stock exchange as the market took a "sell now, ask questions later" attitude to the decision, in the words of one trader.

VW conceded at least a partial defeat. "The court confirmed Der Spiegel's right to report the suspicion," the company said in a three-page statement. VW had filed an injunction against the magazine to prevent further publication of allegations of wrongdoing by Mr. Lopez and associates who left GM for VW. The full text of the Hamburg court's opinion

will not be published for several weeks. In the meantime, it said, Der Spiegel is allowed to print the following statements:

• "Opel could have swallowed the loss of Mr. Lopez and his methods, but the company's very survival is threatened by what it claims to have discovered after the strange departure of its purchasing manager — that the devout Catholic carted off entire crates of corporate secrets ... having to do with suppliers and their prices, secret construction plans and model studies."

• "Mr. Lopez and his spies were said to have systematically gathered secret documents for months. As early as November 1992, according to the allegations, photocopying boomed and data was saved on disks."

• "After the departure of Mr. Lopez & Co. in Detroit, none of the secret documents could be found."

The court also threw out VW's injunction on future articles that suggested "that Mr. Lopez and the workers who switched with him to VW

had taken secret GM documents from GM and delivered them to VW." The court upheld several points in VW's injunction, but officials for Der Spiegel said those points were minor.

One of the most serious allegations is that Mr. Lopez asked for technical specifications for a successor to Opel's popular Astra just days before his departure. The Astra is in direct competition with VW's Golf.

Mr. Lopez has said he switched to VW because it offered him the chance to build an experimental automobile factory in the Basque region of Spain after GM rejected the plan. After GM filed suit for espionage, VW also rejected the plan, ostensibly because of overcapacity in the industry.

The GM-VW spat has soured relations in Germany's usually clubby corporate community. Gerhard Schröder, premier of the state where VW is located, said VW was "a target of a campaign by foreign competitors."

NASDAQ

Tuesday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year.

12 Month High	12 Month Low	Div	Yld	PE	High	Low	Latest	Chg
100	80	1.00	4.00	15	100	80	95	+15
120	90	1.20	4.50	18	120	90	110	+20
150	110	1.50	5.00	20	150	110	130	+40
200	150	2.00	6.00	25	200	150	180	+50
250	180	2.50	7.00	30	250	180	220	+70
300	220	3.00	8.00	35	300	220	280	+80
350	250	3.50	9.00	40	350	250	320	+100
400	300	4.00	10.00	45	400	300	380	+120
450	350	4.50	11.00	50	450	350	420	+140
500	400	5.00	12.00	55	500	400	480	+160

12 Month High	12 Month Low	Div	Yld	PE	High	Low	Latest	Chg
100	80	1.00	4.00	15	100	80	95	+15
120	90	1.20	4.50	18	120	90	110	+20
150	110	1.50	5.00	20	150	110	130	+40
200	150	2.00	6.00	25	200	150	180	+50
250	180	2.50	7.00	30	250	180	220	+70
300	220	3.00	8.00	35	300	220	280	+80
350	250	3.50	9.00	40	350	250	320	+100
400	300	4.00	10.00	45	400	300	380	+120
450	350	4.50	11.00	50	450	350	420	+140
500	400	5.00	12.00	55	500	400	480	+160

AMEX

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	12 Month Low	Div	Yld	PE	High	Low	Latest	Chg
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350	250	3.50	9.00	40	350	250	320	+100
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450	350	4.50	11.00	50	450	350	420	+140
500	400	5.00	12.00	55	500	400	480	+160

سوق من الأمل

NYSE

Table with columns: TUESDAY'S CLOSING, Tables include the national average price up to the closing on Wall Street and on the London market elsewhere. Via The Associated Press.

Table with columns: High, Low, Last, Change, Volume, Bid, Ask, etc. for various international stocks.

JOURNAL: Book's Account of Newspaper's Lapses Comes Under Attack

Continued from Page 9
available the letters from people bashing the book, perhaps on the theory that no publicity is bad publicity. Journal executives, meanwhile, have decided not to attack the book, because that would simply boost its sales.

Table with columns: 12 Month High, Low, Last, Change, Volume, Bid, Ask, etc. for various international stocks.

INTERNATIONAL FUNDS

Large table listing various international funds with columns for fund name, share price, and other details. Includes sub-sections like 'INTERNATIONAL FUNDS' and 'OTHER FUNDS'.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

SPORTS SOCCER

Justice Chief Rebukes Mitterrand

Compiled by Our Staff From Dispatches

PARIS — As the bribery case involving European champion Olympique Marseille headed for a showdown Wednesday, made another sharp veer, with the Minister of Justice, Pierre Mehaugier, criticizing President François Mitterrand for supporting the soccer team's owner, Bernard Tapie.

Mehaugier, who has started libel proceedings against Tapie because of comments comparing the case's investigators with the Gestapo, told TFI television on Monday night that "there is a balance to be respected and the calming of feelings that I want means that everyone must avoid throwing oil on the fire."

Mitterrand's comments in a Bastille Day television interview, the minister added, "have been interpreted by some people and by some

magistrates as putting oil on the fire in this affair."

Mitterrand had said that Tapie "is intelligent and energetic. I don't know why he should be named in connection with this affair."

Mitterrand added that he admired the Marseille team and that it "owed a lot to Bernard Tapie."

Though investigators have said that the evidence so far does not link Tapie to the alleged bribe, the controversial politician-entrepreneur has been accused by the former coach of the Valenciennes team, Boro Primrose, of offering him money and other inducements to take the blame for the alleged bribe.

The justice minister has been taking an increasingly tough line on the investigation, which has dominated French front pages for the past month. As well as castigating the president and starting a

libel suit, Mehaugier has also told the Valenciennes prosecutor Eric de Montgolfier to restrict his declarations in the case.

But Mehaugier said this time that he was very "satisfied with the energy that the investigating magistrate and prosecutor were putting into finding the truth in this affair."

The investigation will reach a crucial new stage Wednesday when Marseille's general manager, Jean-Pierre Bernès, is confronted by the four players who have accused him of bribery.

Bernès, Tapie's right-hand man at Marseille, has steadfastly denied any role in the payment of 250,000 francs (\$44,000) by Marseille midfielder Jean-Jacques Eydiele to three Valenciennes players, although all have named him as the instigator.

The investigating judge, Bernard

Beffy, in whose chambers in Valenciennes the meeting of Bernès and his accusers will take place, said he hoped it would "clarify everyone's position."

A source close to Bernès said he "is utterly determined despite being very exhausted."

Investigators have traced phone calls from Bernès' hotel room to the hotel where the Valenciennes team was staying before the match in May.

And the envelope containing the cash, found buried in the backyard of the in-laws of Christophe Robert, one of the Valenciennes players, was of a rare type from a supplier whose only sporting client was Marseille. Police found identical envelopes in a search of the club's headquarters.

They are now studying fingerprints found on the banknotes.

(APR, Reuters)

Ruddock, Aneau, Off to Liverpool

LONDON — Neil Ruddock's cash dispute with the Premier League team Tottenham was resolved Tuesday, clearing the way for his \$3.7 million move to Liverpool.

Ruddock was sign to Monday, but the deal threatened to collapse when he demanded that the North London club pay him \$225,000, the amount that would have been paid in stages had he honored the last three years of his contract.

Tottenham had signed another center-back, Colin Calderwood, on Monday. Liverpool did complete a \$3.4 million transfer Tuesday, getting Nigel Clough from Nottingham Forest.

Here's a Toast to the FA

LONDON — Sport is a perfectly legitimate messenger to the public. The power of advertising has transformed soccer into a global billboard industry, and where the money is recycled to further the game so much the better.

However, it needs regulators. In England there are incoherent promotions that mix messages as potent as mixed drinks.

The English FA, host to the ninth European Youth Championship, uses this prestigious under-18 tournament to convey the slogan: "Take a Soft Option and Avoid the Morning After."

This is being pushed by the government, and paid for by the Portman Group. The latter comprises eight alcohol manufacturers in the United Kingdom whose own competitiveness is stunted by a conscience toward the deadly cocktail of drinking and driving.

There is a symmetry here: Eight brewers using eight European teams to spread the word that drivers should stick to soft drinks. Campaigns such as this have apparently contributed to a trend that has more than halved Britain's drinking-related road victims — down to 710 dead and 4,020 seriously injured in one year.

"We are delighted the Portman Group decided to sponsor the European Youth Championship with this anti-drink-drive message," said the tournament's director, Adrian Titchener. "The aim is to encourage teenagers to adopt a healthy lifestyle, and this includes taking care not to play football. This does not include drinking and driving."

Titchener works for the soccer federation. His mission was to be more welcome were it not for the fact that the FA, together with one of the eight brewers, is playing a double standard.

In the same week, almost the same breath, we are informed that the Premier League is now to be known as the FA Carling Premiership. Carling is a brand name from Bass Breweries.

It is one year since the Football Association went to court to sue the first division of the century-old Football League and rename it the Premier League. Rick Parry, an accountant, helped negotiate a £94 million (\$455.7 million) Sky Television package for this spin off.

A year later, now the league's chief executive, Parry says: "Ever since we agreed to the sponsorship with Carling we have been looking for a simple way of separating the competition from the organization that runs and administers it. There is no confusion over changing identities. This is a new title which will give Carling maximum public recognition for their substantial long term investment."

The accountant was less succinct than that. He named names: more Carling in proclaiming this "dynamic and contemporary" new arrangement.

AFTER HIM, a Bass spokesman downed the suggestion that any of people will be made aware of the association between the country's No. 1 beer and the top flight of English football.

Millions already knew the connection. The FA has been trying for two decades to live down the league's

image of England's soccer hooligans, an image that culminated in that dreadful night at Heysel Stadium in Brussels in 1985.

Since Heysel, and the mass deaths at Hillsborough that also were alcohol related, the FA has done a superb job in convincing UEFA and FIFA that its clubs and its fans deserved a new clean image. European soccer has regained a more respectable climate. But so only especially after the violent consequences of 1992's bitter-end diplomacy in Sweden, dark undercurrents of the influence that drink has on crowd misbehavior.

This has never been more true for the English FA, of all bodies, to issue two contrasting alcohol messages. Carbing drink-driving while promoting beer products is not, per se, incompatible. But it is a devil of a balancing act.

SOCCER PLAYERS are a wrecked example. Tony Adams was restored to the captaincy of Arsenal and to England's national team despite having served a prison sentence for crashing his car three years ago while attempting to drive with three times the legal alcohol content in his bloodstream.

"The boy made a mistake," we were told. The boy, 26, crashed again a few months ago. He needed 29 stitches for a head wound after "having a few drinks, missing my footing and tumbling down some stairs. I've done nothing to be ashamed of."

They often fall short of professional expectations, but never of excess. Paul Gascoigne, whose drink-driving has also vexed officials, reports a "big concern" for his welfare by reporting 14 pounds (6.4 kilograms) overweight this year.

The Rome club had persuaded the England team to not overwork Gascoigne by taking him to the United States for the U.S. '93 Cup. Instead, he spent his time on a Florida beach, returning bloated for a season which, after the allowances made for his devastated right knee, might make or break his career.

Gascoigne weaves between being one of the great entertainers of another and clown whose weakness is drink and whose irresponsibility is his Achilles' heel.

Before him came George Best, Gerard Mullin, Jimmy Greaves. Best sought clinical help for alcoholism each five days to stay an inebriated addict. Best, but Greaves, the finest instinctive winger ever, lost the fight. The last days of Best's "little bird" were as a institutionalized derelict, whose kidneys failed due to alcoholic poisoning.

Rather than feeling compromised, the FA holds up a glass to its own on business occasions in one hand, a soft drink to youth in the other. FA officials, and journalists and players, always travel alcohol free on the England team's outboard planes under rules laid down by the team's manager, Graham Taylor, a teetotaler.

However, the spirit of the late H.L. Mencken — "never to admit a drink after dark" — will hold sway this Wednesday. The occasion? A four-day "No Fat, Fat, Fat" week to mark the 100th anniversary of the Football League's "Committee" which grants that include members of Parliament, soccer players, editors and political commentators.

The paymaster? A certain brewery.

Rob Hughes is on the staff of The Times.

Graf Has New Injury And Germany a Loss

FRANKFURT — Two weeks after winning her fifth Wimbledon singles title, Steffi Graf made a brief return Tuesday to tennis, with a new injury, and was upset, 4-1, 6-1, by Nicole Provis of Australia at the Federation Cup.

There was more misery at the end of the day for the German team, as it lost, 2-1, to Australia and became the first defending champion to lose in the first round of the women's version of the Davis Cup.

Elizabeth Smylie and Renae Stubbs gave the Australians their victory by winning the decisive doubles, beating Anke Huber and Barbara Rittner, 5-7, 6-4, 6-3. The only German point in the best-of-three series came in the first singles, when Huber beat Smylie, 6-1, 6-2.

Graf said she had an inflamed shoulder tendon, and had noticed the injury while practicing on Sunday.

"I wanted to play and it felt a little bit better in practice in the morning," she said. "But I didn't step in fully fit, I haven't played much in the past two weeks and I didn't feel very comfortable. The shoulder hurt during the match and it was a big part of my defeat."

Graf, who has been nursing a foot injury since early June, looked rusty, spraying her shots long and wide.

Despite the foot injury, she won both the French Open and Wimbledon, but with the help of painkillers and a specially built shoe.

She took a Caribbean vacation after Wimbledon and began practicing late last week.

Graf took a 3-0 lead, only to see Provis roll through the next five games. The Australian, ranked 28th in the world, held serve to take the set.

The German bounced back in the second set, after saving two break points in the first game. She broke for a 3-1 lead and cruised through the rest of the second set.

Provis, playing with confidence against an error-prone Graf, broke for a 2-0 lead in the decisive set and never looked behind.

Graf said her foot injury had finally healed, but she still could

not tell how long she would have to rest her shoulder.

The German captain, Klaus Hofssas, blamed himself for the team's elimination.

"I knew about Steffi's injury and I should have never let her play," he said. "It was my big mistake."

Top-seeded Spain, led by Arantxa Sanchez Vicario and Conchita Martinez, swept past the British team of Jo Durie and Claire Wood, 3-0, losing only one set, in the doubles.

The U.S. team, seeded fifth, advanced to the second round by beating Switzerland. Lindsay Davenport, making her Federation Cup debut, beat Christelle Fausche, 6-4, 6-3, and Lori McNeil rallied to defeat Emanuela Zardo, 1-6, 6-3, 6-3.

Ann Grossman and Debbie Graham completed the shutout by winning the doubles, 6-3, 6-1.

In other first-round matches, seventh-seeded Netherlands shut out Croatia, 3-0; No. 8 Japan blanked Colombia, 3-0; Denmark edged Austria, 2-1; Latvia outlasted Belgium, 2-1; and China beat Peru, 2-1. (See Scoreboard)



Steffi Graf during her loss to Nicole Provis. She said she now has an inflamed shoulder tendon.

SCOREBOARD

BASEBALL			
Major League Standings			
AMERICAN LEAGUE			
East Division			
New York	52	48	08
Toronto	52	50	—
Baltimore	51	52	16
Detroit	49	53	14
Boston	49	53	2
Cleveland	44	67	17
Pittsburgh	37	74	37
West Division			
Chicago	49	52	—
Texas	47	51	2
Kansas City	44	56	—
Seattle	44	56	—
California	43	58	4
Oakland	39	63	9
Minnesota	38	68	10
NATIONAL LEAGUE			
East Division			
Philadelphia	57	48	08
St. Louis	57	50	3
Atlanta	49	52	11
Chicago	46	55	17
Pittsburgh	43	62	19

NATIONAL LEAGUE			
San Diego	50	50	—
Los Angeles	49	53	12
Houston	48	54	10
San Diego	38	73	35
Colorado	33	79	28

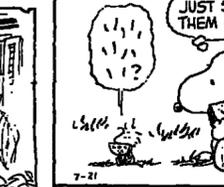
NATIONAL LEAGUE			
San Diego	50	50	—
Los Angeles	49	53	12
Houston	48	54	10
San Diego	38	73	35
Colorado	33	79	28

DENNIS THE MENACE



"If you get Margaret mad enough, she can be a lot of fun!"

PEANUTS



JUST SPIT THEM OUT.

THOSE ARE BUTTONS. THEY KEEP THE WATERMELON FROM FALLING APART.

HE NEVER BELIEVES ANYTHING I TELL HIM.

BLONDIE



BLONDIE, QUICK! LOOK AT THAT! JUST LEAVING.

THAT'S MY WEALTHY FRIEND, VENETTE.

HER ESTATE IS SO LARGELY THAT TEN BIRTHDAYS!

AND THEY'RE ALL JACKIES!

WIZARD OF ID



YOU ADVERTISED FOR A LAW CLERK?

DO YOU HAVE ANY EXPERIENCE WITH THE LAW?

YOU KNOWING, I'VE GOT A RAP SHEET LONG AS YOUR ARM.

REX MORGAN



WELL—I'M DONE HERE, YOU GUYS! ONCE THE MOVIES FINISH, I'VE GOT TO GO TO A DINNER TONIGHT.

WE'RE GOING TO MISS YOU! DON'T YOU WANT TO DO A SPECIAL DINNER TONIGHT?

SORRY, THERE'S NO TIME—I HAVE TO FOLLOW THE MOVIES! TELL BOB I SAID GOODBYE—AD, BOB, LUCK!

SAME TO YOU! MY FRIEND—BE WELL!

GARFIELD



CLICK

AND NOW, DOWN FOR SLEEP.

HA!

JUST FLIPPING THROUGH THE CHANNELS!

CLICK

CLICK

CLICK

JUMBLE

Unscramble these four American words, to form four ordinary words.

CUDHY

GANGI

SAYMID

LAMTEL

What the hand? What exercise instructor was?

Now arrange the checked letters in the order given by the above clues.

Print answer here: A

BEEBLE BAILEY

GENERAL'S ORDERS: EVERYONE MUST BE ABLE TO TOUCH THEIR FINGERTIPS TO THEIR TOES TEN TIMES.

EASY!

I CAN TOUCH THE FALGS OF BOTH HANDS TO THE FLOOR! WATCH!

I'M FLATTERED, FUZZ, BUT A LITTLE OF THAT GOES A LONG WAY.

DOONESBURY

MIKE! IT'S GREEN! I'M AFRAID YOUR HEAD'S BACK IN THE HOSPITAL.

GOOD LORD! I MUST GET ZUER SIDE AT ONCE!

WELL, IT MIGHT NOT BE A BAD IDEA.

HMM... THE LAST FLIGHT TO TULSA LEFT AN HOUR AGO, BUT THERE'S ALWAYS ONE FLIGHT TO THE AIR FIELD.

MIKE, DO YOU KNOW IF YOUR HONORABLE SISTER HENRI HENRI OWENS?

UH... NO. WHO IS SHE? A DISTRESSING PARTY?

WITHOUT HER HONORABLE MARRIAGE, A HUSBAND.

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كسوة من الأمل

OBSERVER

A Plug for Geezerhood

By Russell Baker
NEW YORK — Sly Stallone, Arnie Schwarzenegger, Spielbergsaurus Rex with muscles as terrifying as Sly's pectorals and Arnie's biceps — who needs them?

Not me. Not as long as there's a lean, scinty old gent with wrinkles all over his face and eyes full of memory and pain and a smile that can charm the handcuffs and service revolver right off a beautiful lady cop.

He can even get away with calling her a lady because he comes from a remote, half-forgotten age when men had too much dignity to belittle themselves by speaking trendy political jargon. I'm talking, of course, about Clint Eastwood, whose new movie is the greatest boon to the aging American male since Medicare, Geritol and Grecian Formula combined.

Playing a Secret Service agent, Eastwood turns "In the Line of Fire" into an illustrated lecture on the superiority of geezerhood.

Somewhere I saw that Eastwood is 63 years old. He looks it all right, and he looks perfectly at ease with it. Running to keep pace with the president's car — Secret Service agents really do do that — he is unshaken about looking like a man in pain. At the end of a hard day he needs a nap.

Amazingly, he is human. This is an unusual condition in American movies nowadays. Stallone with torso glistening under coatings of cooing oil is a comic-book drawing. Schwarzenegger is a cover for a weight-lifting journal.

Eastwood brings movies back from the land of the grotesque to the world of real people, more and more of whom, as the old-timers' lobby keeps reminding our easily bullied Congress, are gray, crinkled and long in the tooth.

Men in this category have had little comfort in the "Rambo" and "Terminator" era because, for one thing, breaking murderous young hoodlums' necks with your bare hands is simply not practical when your knees creak. You have trouble getting the suitcases up to the attic and 11:30 P.M. finds you more interested in bed than in Ted Koppel. For another thing, carrying on like that makes a man over 50 look silly.

Eastwood's Secret Service agent is over the hill physically and emotionally, but considerably more interesting to the young woman agent than are the younger men in her life.

This of course is because Eastwood is the star, and screenwriters write it that way for stars. Still, Eastwood makes the old fellow's wit, experience and sensitivity plausible enough to persuade the audience that, yes, he is obviously the one interesting human being among the good guys.

Well into the thing, unfortunately, Eastwood suddenly starts performing athletic feats that are highly improbable for an old gent easily winded by jogging. Climbing buildings and jumping over yawning chasms, he is briefly more "Rambo" than "Rambo."

Watching this with disappointment, I forgave it after reasoning that it was not a script by Aeschylus but only a high-class romp. "Nobody's perfect," I explained to my wife, who found this athletic outburst out of character.

Instead of being astounded by my sagacity, she noted that the remarkable gymnastics performed simultaneously by the villainous John Malkovich were even more implausible than Eastwood's since he had earlier seen Malkovich in his underwear looking 25 pounds overweight, and that in the abdomen alone.

This was all quibbling, as I pointed out. The significant fact was that in a population that's getting older every minute a big movie star had frankly played an old-timer as an old-timer and in doing it had given the American male reason to tell himself that life begins not at 40 but at 50, or at 60. Maybe even at 70, 80.

My wife didn't bother pointing out that the lady cop whom Eastwood charms is not 80, 70, 60, 50 or even 40, and probably not even 30. So I didn't have to point out that Hollywood being a town run by oversized boys, we ought to be glad of any evidence that they're really growing up because it might mean that one of these days they might put away their dolls and put women in their movies.

Punk Nostalgia and Mexican Munchies

By John Rockwell
New York Times Service

OXFORD, England — Bertolt Brecht liked to castigate bourgeois aesthetes by calling them "culinary." He was more prophetic than he knew. This weekend in Reading and Oxford, west of London and a mere 25 miles apart, were two events that gave Brecht's ideas a fuller meaning. Often quite literally fuller.

The two were the principal summer manifestations in Britain of Womad, or the World of Music, Arts and Dance festivals, at the Rivermead Leisure Complex in Reading, and the Oxford Symposium on Food and Cookery at St. Anthony's College in that venerable university town.

The link between the two, each of which proceeded in near-ignorance of the other, was perhaps more poetic than tangible, but it did exist. Both represented, in Britain's slightly gloomy post-colonial decline, a determined, good-hearted effort to come to terms with the cultures of the entire world.

Womad was founded by the rock star Peter Gabriel. Now in its 11th season, it has presented festivals of world music (the currently fashionable term for what has also been called folk, ethnic or Third World music), leavened with politically correct Western rock stars, at several British sites as well as in 11 other countries on a regular basis and in more than 20 overall. The general atmosphere is post-punk hippie nostalgia, with hundreds of craft booths and leftist causes jostling with the music for a visitor's attention.

The Oxford Symposium, a distinctly donnish affair, was founded by Theodore Zeldin, a historian; Alan Davidson, a London food writer, and a few other leading foodies, as they call themselves. This year it admitted 154 paying participants who gathered for scholarly papers, venturesome meals and conviviality. (Several hundred other applicants, not to speak of the general public, were not invited.)

Other than multiculturalism, the two events had more in common than usual this summer. Womad attracts all manner of food vendors, from Mexican Munchies to the Golden Tempura Bar to the Tiny Tea Tent.

The theme of this year's Oxford Symposium was "Look and Feel," meaning an exploration of aesthetic, visual and textural matters transcending mere culinary taste. (This is a Brecht-friendly avenue down which Zeldin is eager to proceed; his proposal for next year's theme is values.)

"Look and Feel" offered ample opportunities for papers that moved beyond ingredients and recipes and historical subjects like the evolution of pasta to larger social and artistic issues.

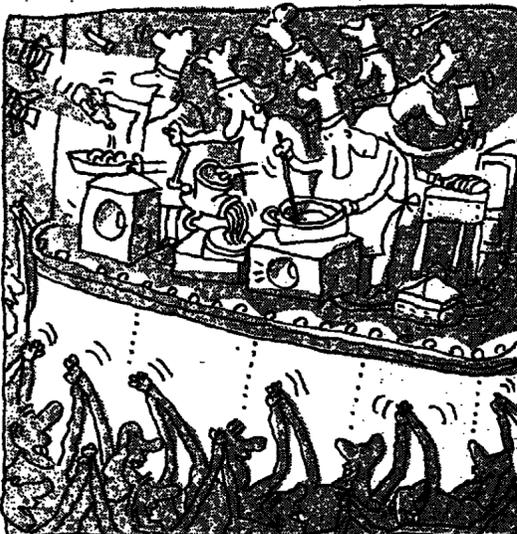


Illustration by Nilsen, 1993/11/11

There were papers linking food with the other arts, from "Is a Meal a Gesamtkunstwerk in the Wagnerian Sense?" to "The Landscape Through the Jelly: Exploring the Subject of Performance Food" to a session on Futurist cuisine, which was generally dismissed as "absolute barbarism" and "the pornography of food."

Alicia Rios from Spain offered an actual piece of food performance art (not to be confused with performance food) subtitled "Organoleptic Deconstruction in Three Dimensions," in which she munched up a variety of foods (the idea was to let the hands do the work of the teeth), regaled her audience with recordings of the grunting, porcine sounds of the chewing and swallowing of various foods and, as the grand finale, rolled about on a transparent mattress filled with potato chips.

Womad is, on the surface, not so high-brow as this: it is a commercial venture, especially since Gabriel had to step back in early this year to bail out the operation after a liquidation process had eliminated six of the eight interrelated Womad companies. Now, Womad is as active as ever but more tightly integrated with Gabriel's Real World management and recording organization.

Stressing Womad's organizational structure and marketing strategies belies its purer motives. Womad is run by people, starting with Gabriel and Thomas Brozman, the artistic director, who believes in the values of multiculturalism and the vibrancy and excitement of the world music they present. "It's always been based more on idealism than on commercialism," insisted Gabriel, speaking by telephone from Banff, Alberta, where he was on a rock tour. (He will also participate in the first-ever Womad tour of North America from Sept. 4 to 19.)

Some of the music at this weekend's Reading event was indubitably ethnic and genuinely compelling. Like Nusrat Fateh Ali Khan, the Pakistani Qawwali singer, or a master Ghanaian drummer named Mustapha Titey Ady. But Womad's fusion goals, the idea of Third World musicians learning valuable lessons from Western pop and Western rock stars enriching their music with Third World additives, was very much in evidence, too.

Particularly arresting on Friday night was Natacha Atlas, a Belgian of Jewish descent who sings in what the program described as a Spanish-French-Arabic-English-Hindi hybrid and who was ac-

companied with crunching authority by Transglobal Underground, an Afro-Asian-British band.

Although the Oxford Symposium covers the world in its intellectual scope, its actual representatives from world cultures were less diverse than Womad's. Of the 150 Oxford registrants, the vast majority came from Western Europe and the United States, with no blacks and only one Asian based in the Far East.

The study of food as a recognized academic discipline is at an embryonic stage in Britain and only slightly more advanced in the United States. Alan Davidson and I were anxious to give gastronomy a basis in a university. Zeldin recalled, "My colleagues thought I was being frivolous, but as I had a certain amount of power, I was able to do it."

One of my intentions is to include people who are not academics along with academics, to mix different approaches: almost every discipline has something to say about food. Being an academic, I don't feel happy about the way the academic world has developed. It's too specialized, with the aim of an academic to destroy his rivals. Here, people are amazingly generous to each other. This year's touchy-feely theme encouraged a greater degree than usual of arcane humor and dirty eccentricity, and some of the more scientifically minded participants regretted that. But British academic life has long been crowded with eccentric amateurs. A ringing assertion by Sami Zubaida of London, declaring himself stoutly opposed to any further formalization of the proceedings, drew heavy applause.

Actual eating, not just papers and socializing, is a crucial part of the symposium. There was a Gloucestershire dinner Saturday and a lavish Finnish lunch Sunday. But the big gastronomic event is traditionally the Saturday cooperative lunch, to which registrants bring dishes for the delectation of others. This year's menu included such delicacies as *narroz de casoy*, a cashew nougat; 17th-century *diancongnare* (made with a blender), post-Futurist *peralgara* and *roschi tarantini*, a Tunisian terrine called.

If the Oxford symposium is somewhat higher up the intellectual food chain than Womad, Gabriel, Brozman and their family-oriented audiences display a similar enthusiasm for world cultures.

"When we started Womad, there were one or two record stores in London selling this music," Gabriel said. "Now, it's all over. That was not all Womad's work, but this has been the only regular, touring festival of its kind, a model for the future. World music won't go away now, and I think that's a big achievement."

PEOPLE

Is That Material Girl Becoming Immaterial?

Try again. A spokeswoman for MTV said the channel has gotten "no response at all" to Madonna's latest video "Rain," in which she sports jet black locks and blue eyes. She will launch a new tour in London on Sept. 25.

Yehudi Menuhin appeared in Britain's House of Lords for the first time and said he would take the title Baron Menuhin of Stoke D'Abernon, Menuhin, 77, was given a life peerage in June by Queen Elizabeth II, entitling him to be addressed as Lord Menuhin.

Wille Nelson is scheduled to perform Saturday behind the County Line Bar in Regal, Minnesota, population about 50. He continues a tradition started by Johnny Cash, who agreed in 1989 to appear on a portable stage so that the bar owner Mike Kampen could let his father hear a favorite singer in person. Last year's crowd for Tammy Wynette and Waylon Jennings drew nearly 6,000.

John F. Kennedy Jr. toured the Constitution Avenue headquarters of the U.S. Labor Department for the second time in a month, doing little to put rumors to rest that he may be under consideration for a slot on the House Judiciary Committee's crime and criminal justice subcommittee. Andrew Fols, the subcommittee's chief counsel, said there was at least one opening.

Patti Davis, the novelist who has spent much time being estranged from parents Ronald and Nancy Reagan, is moving from Santa Monica, California, to Connecticut. "I need a dramatic change," she said. "I'm 40 and that's a profound year in your life."

Chris de Burgh's wife was recovering in hospital after breaking her neck in a horse-riding accident. Diane de Burgh, who inspired her husband's hit "The Lady in Red," was riding near the family's castle home in County Westford, Ireland.

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